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Box 2

# IN THE COURT OF THE TRANSPORT TRIBUNAL

TRANSPORT ACT, 1947—PART V

IN THE MATTER OF THE APPLICATION OF THE  
BRITISH TRANSPORT COMMISSION (1953 No. 134)

## TO CONFIRM THE BRITISH TRANSPORT COMMISSION (PASSENGER) CHARGES SCHEME, 1953

THURSDAY, 26TH MARCH, 1953

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FOURTEENTH DAY

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# PROCEEDINGS OF THE TRANSPORT TRIBUNAL

THURSDAY, 26th MARCH, 1953

PRESENT:

HUBERT HULL, Esq., C.B.E. (*President*)

A. E. SEWELL, Esq.

J. C. POOLE, Esq., C.B.E., M.C.

Mr. HAROLD I. WILLIS, Q.C., Mr. E. S. FAY, and Mr. KENNETH POTTER (instructed by Mr. M. H. B. Gilmour, Chief Legal Adviser to the British Transport Commission) appeared on behalf of the British Transport Commission.

Mr. H. V. LLOYD-JONES, Q.C., Mr. LEON MacLAREN, and Mr. GEORGE MERCER (instructed by Mr. J. G. Barr) appeared on behalf of the London County Council.

Mr. GEOFFREY LAWRENCE, Q.C., Mr. J. RAMSAY WILLIS and Mr. CHRISTOPHER HODSON and Mr. W. J. GLOVER (instructed by Sir Clifford Radcliffe, C.B.E., Solicitor and Clerk to the Middlesex County Council) appeared on behalf of the following County Councils: Middlesex, Berkshire, Buckinghamshire, East Sussex, Essex, Hertfordshire, Kent and Surrey.

Sir SHIRLEY WORTHINGTON-EVANS (instructed by Mr. Desmond Heap, Comptroller and City Solicitor) appeared on behalf of the Corporation of London.

Mr. J. RAMSAY WILLIS and Mr. JOHN GLOVER (instructed by Mr. W. O. Dodd, Deputy Town Clerk) appeared on behalf of Brighton Corporation.

Mr. G. R. ROUGIER (instructed by Mr. Archibald Glen, Town Clerk) appeared on behalf of Southend-on-Sea Corporation.

Mr. G. R. ROUGIER appeared on behalf of County Borough of Southend-on-Sea Railway Travellers' Association.

Mr. D. J. TURNER-SAMUELS (instructed by Mr. W. H. Thompson) appeared on behalf of London Trades Council.

Mr. GEOFFREY RIPPON (instructed by Mr. R. H. Buckley, Town Clerk) appeared on behalf of East Ham County Borough Council.

Mr. GEOFFREY RIPPON (instructed by Mr. G. E. Smith, Town Clerk) appeared on behalf of West Ham County Borough Council.

Mr. GEOFFREY RIPPON (instructed by Mr. G. E. Smith, Town Clerk) appeared on behalf of South-West Essex Traffic Advisory Committee.

Mr. C. OSMOND TURNER (instructed by Messrs. Carpenter, Wilson & Smith) appeared on behalf of London Passengers' Association.

Mr. GEORGE W. REYNOLDS represented London Federation of Trades Councils.

Miss DOROTHY D. FORSTER represented the Walthamstow Trades Council.

Mr. J. W. SYKES represented Edmonton Trades Council.

Mr. F. A. RULER represented the Federation of Residents' Associations in the County of Kent.

Mr. H. S. VIAN-SMITH represented The Association of British Chambers of Commerce.

Miss H. C. HART represented The National Association of Women Civil Servants.

Mr. N. J. LEWISOHN represented Whyteleaf & Kenley Residents' Association.

Mr. C. M. HAMILTON represented The Accountant-General's Department, Civil Service Clerical Association (Bickley Branch).

Mr. HYMAN FRANKEL represented The National Union of Bank Employees.

Mr. J. F. PLEYDELL represented Pitsea, Vange & District Resident Ratepayers' Association.

Mr. STANLEY MAYNE represented the Institution of Professional Civil Servants.

Mr. D. KELLY represented the South Essex Branch of the Communist Party.

Mr. J. E. MORRISH represented the Post Office Engineering Union.

Mr. J. REID represented the London North and London South District Committees of the Amalgamated Engineering Union.

Mr. ALEXANDER HALLIDAY represented the North London District of the Amalgamated Union of Operative Bakers, Confectioners and Allied Workers.

Mr. D. J. D. WELLUM represented the Benfleet & District Railway Travellers' Association.

(*President*): Does someone else want to cross-examine?

(*Miss Forster*): Yes, I do.

(*President*): I wonder, Madam, if you would find it convenient, or not too inconvenient, to come up to this top table.

(*Miss Forster*): Nothing is inconvenient if it helps you, Sir.

(*President*): While you are moving, there are two things I want to say. The first is about the transcript. Those who have been diligent enough to pay attention to the Corrigenda have probably noticed that there are quite a number of corrections in the figures. I think we are all by now so accustomed to dealing in millions and hundreds of thousands and decimal points (I include in that all the members of the Tribunal) that we sometimes are not sufficiently clear when we are speaking of figures to be of the maximum assistance to the shorthand writers, and I suggest a general resolution of precision when we do refer to figures. It will relieve us—those of us who do correct the transcript, of making as many corrections as we should otherwise have to do.

Mr. Lawrence, I want you to consider this point. I am mentioning it now, because you are not immediately opening your case, before you do put Mr. Hill in the box, I have made a rather cursory examination of the revised tables, as compared with the unrevised tables, and that cursory comparison has suggested to me that some of the revisions go beyond the purpose for which we gave leave. Will you consider—between now and the time when Mr. Hill does go into the box—whether there is anything in it, by making a more than cursory examination? Because it is unfair that revised tables, however useful to one side or the other, should contain revisions greater than those for which you asked leave to make.

(*Mr. Geoffrey Lawrence*): I appreciate the point you have made. If I may say so, it does not come entirely as a surprise to me, and I must deal with it as best I can when I get Mr. Hill's evidence.

(*President*): Very well. I thought I had better say so now, in order that you should become aware of it by a more than cursory examination.

26 March, 1953]

Mr. ALEXANDER BALMAIN BRUCE VALENTINE

[Continued]

Mr. ALEXANDER BALMAIN BRUCE VALENTINE recalled.

Cross-examined by Miss D. D. FORSTER.

(President): You are going to ask questions on behalf of Walthamstow Council?

4426. (Miss Forster): Walthamstow Trades Council, which is a body of 10,000 trade unionists constantly using London Transport. Now the first question I want to ask might seem rather remote, and I understand it is better for us to approach problems from an acute angle than from an obtuse angle. It will, however, soon be clear why I am asking it, and I hope it will be allowed. I want to ask Mr. Valentine, first of all, what is the importance at present, how great is the importance of tourism, the tourist trade generally, to the Government, and secondly to British Transport?—Various Government figures are published on that subject, but I do not have them at my finger tips at the moment.

4427. Can I, as an aside, say that I am not going to ask for immense numbers of figures. I fear we are sometimes obscuring the issue by having too many figures. In this case it is a simple question: is not the Government particularly interested in the volume of tourism this year?—I think that could safely be agreed to.

4428. Thank you. Next may I ask whether in that connection they are not running some really marvellous excursions (you may call it a facility) giving some wonderful opportunities of travel, by first-class, roundabout tickets at wonderful rates? That is so, is it not?—The Government?

4429. Not the Government, but British Transport. I have not the figures here, because I am not worrying about figures, but there are some wonderful facilities for our visitors this year. Have you heard of these?—I am not personally aware of such facilities exclusively for visitors, though there may be some.

4430. I have been filled with envy about them, and they have been reported in reliable press statements; I am very much interested in them. However, assuming, as we must do, as you are not able to answer that, this to be true—and I think we may safely assume it so—would it not be probable that perhaps there is an arrangement between British Transport and the Government to help to finance those fares; as you have a special arrangement for travel, would this not also be a reasonable assumption?—No.

4431. Well, I wonder how that is going to work out. I hope my allusion does not thereby come unstuck, because it would seem to be perfectly reasonable to assume that if it is being done on any large scale to support some higher policy, it would be reasonable to assume some liaison, in fairness to British Railways and also to London Transport, and it is fairness to London Transport with which I am immediately concerned, but the other has a very positive bearing.—No, I can be quite certain that the Government is not subsidising any excursion facilities.

4432. Well then, all our foreign visitors who are coming in enormous quantities this year will be passing through London?—Many of them, yes.

4433. Is it not true that people from all over England are constantly using our lines and our buses in London?—At all times of the year there are considerable numbers of Provincial and some overseas visitors in the London area.

4434. This is, of course, historically true, but more particularly true this year, is it not, because of the Coronation?—Yes, during Festival year there were also rather more than the normal numbers in London.

4435. I think the reason why I want to ask you about that is because I want to know from London who pays for all this. The analogy I would like to draw is this: supposing the Royal Geographical Society here had a wonderful luncheon club of their own and they served a daily luncheon at a certain rate, and we, as visitors, were able to partake of it. We would undoubtedly expect to pay a higher rate, because they are carrying the overheads and the responsibilities for staff. Is that not so?—I really could not say what the Council of the Royal Geographical Society might decide in such a case.

4436. Well, any other organisation where there were visitors, where they might be expected to participate in some overheads. . . .

(President): Miss Forster, are you suggesting that certain visitors, whether from the Provinces or Overseas, should pay higher fares?

(Miss Forster): I am not suggesting that because I do not think that is directly possible. I do, however, think that not by differences of accountancy, but by simple transfer of something like Central charges from this to that, one could get a balance and an equity on that point, and the essential thing is that we should get abstract justice as near as we can, because people do in London feel that they must make every effort to avoid paying even a half-penny because they are British, if they consider the thing is unjust.

(President): I do not know how we are going to transfer Central charges to foreign Governments.

4437. (Miss Forster): We cannot do anything with foreign Governments. The suggestion is that perhaps the Government could balance that in the accounts, if it is anything considerable. But we have finished with that point, and I was not pressing it. The next point is that I am perfectly convinced—and I am asking Mr. Valentine's opinion on this—that in London we are paying for a tremendous number of probably costly car miles to offer facilities to people who come from all over the country?—That is not true at all.

4438. No? Would you elaborate your answer, if you can?—In general the tourist trade of traffic moving about in London involves no additional cost in operation except in years like the Festival year, when the numbers were very large and we did increase our services slightly for the benefit of visitors to London—whether from the Provinces or from abroad—in order to cater for the additional traffic, but as far as possible it is all charged for at remunerative rates; it is not subsidised traffic, and much of it moves outside the peak hours.

4439. I have, of course, no idea that you can identify in that case, no distinctive badge or identification, but there is the fact that they are using it, and time after time during this Inquiry we have heard it is not so much the number as the time and volume of traffic. I submit that during, for instance, Coronation time, the running of transport will be exceedingly expensive. That has been given us on authority several times during this Inquiry. It has been said that we are going to carry an enormous number of people who are not, properly speaking, Londoners at all. I am sorry to sound mean about this, but when we get down to balancing something in the red we have got to look at it from this hard materialistic angle.—But if all this additional Coronation traffic does occur it will all be charged at the fares prevailing and paid for by these passengers.

4440. Yes. May I at this point ask you to turn to B.T.C. 5, paragraph 3. I am taking it up almost where we ended yesterday afternoon. There you will see, in your estimate for 1953, there were some allowances that will be regarded as favourable, some adverse and some favourable, are there not?—Yes.

4441. In particular, allowance had to be made for the expectation (a) that additional traffic receipts would accrue from the development and expansion of bus services mainly in the country area for serving new housing estates and the growing new towns and (b) that the Coronation would stimulate additional traffic.—Yes.

4442. We omitted that first section almost entirely when we considered the paragraph and concentrated on section (b)—that the Coronation would stimulate additional traffic.—That was the point to which Mr. Lawrence's questions were directed.

4443. We rather omitted, did we not, item (a) and the possible additions accruing from that?—It was not the subject of questions, yesterday, but it has been quite fully explained.

4444. Yes, I understand that. We were given, as the possible estimate for 1937, on the possibility of the additions accruing from (a) and (b) £67.7m. I realise that in an Inquiry such as this the decimal points in a



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MR. ALEXANDER BALMAIN BRUCE VALENTINE

[Continued]

million hardly matter (though I have a record of a difference between £3.76m. and £4m. in another context that struck me as rather high). In this context we had the simple £67.7m., and although I understand that it is almost impossible for you to estimate, I think you ventured on a tentative suggestion that perhaps £0.25m. would be the addition of the Coronation?—I said it would be well within that sum.

4445. Thank you. Then we learned that Coronation traffic being expensive to run, it was not likely to affect your estimate for "Y" year, and it was not likely to give a considerable balance in the first part of 1953 that would cheer up your accounts.—Yes, that is right. It would not make an important difference to the net receipts.

4446. Supposing this turned out to be a minus quantity, who would pay that deficit?—It would go into the General Account.

4447. The General Account. And that would be paid by Londoners? You mean the General Account of what would be paid by Londoners?—Yes, if the Londoners pay for all the services provided in the London area. If the users of the London area transport eventually pay for all the transport in the London area, they are the people who would pay. I cannot identify them individually or as a particular class.

4448. Do you expect London Transport will pay for that, or are you anticipating some relief from that?—Although I said that the net receipts from the Coronation would probably be quite small, I have not been so pessimistic as to say they would involve us in a loss. It was regarded as one of the small favourable factors in 1953. In that event I do not know quite what loss you are trying to direct my attention to.

4449. I am not directing attention to a loss. I want to establish that Londoners will pay for Coronation expenses which are likely to be heavy, though not necessarily leading to a minus.—If there is additional traffic in the Coronation period they will pay it themselves through the rides they take and most of them will be Londoners.

4450. For the rides they take?—Yes.

4451. And the others will just get the benefit of our wonderful system.—I do not quite follow that.

(Mr. Harold Willis): I am glad we are getting some praise.

4452. (Miss Forster): Next I want to ask a question about dates which was not established in cross-examination, or rather in a statement. On the question of Lord Latham's figures to the Press Conference on the 6th January, 1953, we were never told how many days afterwards the most up-to-date figures were issued by the Commission.—The most up-to-date figures for what?

4453. For how much costs had gone up and how much fares to the public had gone up. Lord Latham's statement to the Press Conference on the 6th January I refer to. I want to know the time-lag between his statement, which was based on the 1950 figures and your statement, which was based on the 1952 figures. How many days elapsed between the 6th January and your statement?—It would be about just over two months. It was some time in the latter half of this month that I gave the new figures to the Tribunal here.

4454. Thank you. Then his statement was misleading, because it was based on calculations made in 1950, which were already out-of-date, because the pattern of life had changed, and for various other reasons. We have been hearing about the pattern of living changing. I do agree that there has been a change—the influence of the five-day week, what the Housewives' incantation might be doing, and things like that; the pattern of life has changed since 1949.—I have referred to certain changes in the social habits of Londoners which have made a difference in our Sunday traffic in particular, and our late evening traffic.

4455. In that case, do you think that figures published about the effects that the change in fares are likely to produce are likely to be accurate, since your sampling percentages were based on a survey taken in 1949?—The average percentage increases in the charge per passenger

mile were given by Lord Latham at the Press Conference in January as 71 and 84, and which I have since amended to 63—

4456. I have not made myself clear. I am sorry. I had left the Lord Latham point. I was making it because his figures were out-of-date, being based on 1950. I am now going to other figures based on 1949. I had left that point, and hope I made my point.

(President): What are the 1949 figures you are going back to?

4457. (Miss Forster): Sampling figures for the public, those who would pay nothing and so on.—The inquiry that showed the proportion of workers in the London area using London Transport who will pay different amounts.

4458. Yes. I want to know whether you agree that, if instead of having six weeks of calculation you took a sampling percentage now, you might have found considerable variation?—I do not think there would be considerable variation in relation to the travel of passengers to and from work, mainly at peak-hours, but there would be some differences, naturally.

4459. I do think it makes rather a difference since 1949. I know there are varying factors, but I think we might find a difference. It is rather startling; the figure is 7 per cent.—I know of no reason why there should be any material difference in the figures if they had been based on a later survey, which, of course, has not been done because we had not the material to do it.

4460. I am thinking of new housing estates and people having to do three journeys instead of two, and the little bit more on each one.

The next thing is something which I think no one could answer, because no one is responsible for what is said in the Press, but I do feel that when percentages such as these are put, it should be stated that they were based on the survey made in 1949, because there is a risk otherwise.—Why do you say that?

(President): I spent some years, I think, on assisting in the examination of the Press, and I am not going to begin it again here.

(Miss Forster): That is just an illustration. I was disappointed that they were not related to date because I like figures related to date.

(President): So does Mr. Valentine.

4461. (Miss Forster): Yes, and so do we all. I wondered if there was any machinery for seeing that they get that.

The next thing—may I say that I do know that I may not allude to what happens in the House of Commons, but I would say, for information, that I did hear during the debate of an amendment that was thrown out, that economies in the use of coal were helping in the economies of running costs. Now I have not heard that here. May I ask for your observations on that, Mr. Valentine? May I ask if it is infinitesimal, as far as we are concerned?—I am not sure what the reference was to. I presume it was to coal consumption of British Railways, but I have no information on that.

4462. The reference would be in Hansard, 12th March; it would refer to steam trains, of which there is a slight use, is there not?—In the London area, yes.

4463. The next point: you said that you regarded transport as a service, did you not? Definitely as a service?—I do not know whether I said it, or not, but I do.

4464. That is the way in which people would wish it regarded—not as a commodity but a service. Next, and lastly, have you any knowledge of the statistics—I have been trying to get them for some time but there seems no place where I can, and even if I could there is no guarantee that they are relevant—I would like some statistics for bicycles, both with and without motor gadgets. I notice that you have omitted reference to bicycles in statement 5, paragraph 2, where you are accounting for the diminution in traffic. You said there was some, owing mainly to changing economical conditions, to petrol de-rating and the growth of private motoring. In my observations, a tremendous number of people have taken to the road; it is impossible to separate, of course, which are the young people getting a new bicycle. I would like to know whether the trade there is booming or what effect it is likely to have.—Is it motor-cycles or auto-cycles you mean?

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[Continued]

4465. Bicycles with a little motor gadget attached. You can have a bicycle for 5s. 6d. a week and the other sort for 12s. 6d. a week.—I have just been handed some figures that show, among other things, the number of auto-cycles registered for the first time in each quarter of December, 1950, to December, 1952.

4466. Does it show an upward trend?—No.

4467. (President): Of course if it is in quarters it would not show a regular upward trend.—It is subject to a good deal of seasonal variation. You would have to take the corresponding period of each year. In the quarter ended March, 1951, the number was 3,356; in March, 1952, it was 3,183. The June quarter, 1951, 5,082; June quarter, 1952, 4,200; in the September quarter, 1951, 4,762, and in the September quarter, 1952, 3,976. In the December quarter, 1951, 2,242; December quarter, 1952, 1,881.

(Miss Forster): Thank you very much.

4468. (Mr. Sewell): Are these figures for London Transport only, Mr. Valentine?—I think not. The document is not quite clear.

4469. (President): But they are for auto-cycles, not motor-cycles, are they not?—Yes, I have the figures for

motor-cycles, but they do not come up to quite so late a date.

(President): I think it is auto-cycles that Miss Forster is interested in, is it not?

4470. (Miss Forster): Yes. Do you not think, Mr. Valentine, as Commercial Manager, that whenever possible people will feel, if they are hard pressed—and there are a number of very poor people indeed to whom this is a week is going to make a tremendous difference; I am inside their homes and I know the kind of lunch the women pack up for their husbands and I know the shopping habits of the wives—do you not think that such people will make all the efforts they can to avoid paying this?—A certain number of people will do so, but my estimate of the extent of that is reflected in the estimates we have put into our exhibits of the loss of traffic to be expected from the increased charges.

4471. Then you have to regard your services as a monopoly, from which there is no escape—a service run as a monopoly.—Except for the examples of the bicycle and the auto-cycle to which you have just referred.

4472. Thank you.

Re-examined by Mr. HAROLD WILLIS.

4473. Mr. Valentine, up to this morning you have already answered something over 2,367 questions, and a few more have been added to-day, so I am not going to ask you a great deal in re-examination. You will recall that yesterday afternoon Mr. Wellum put a few questions to you with the object of suggesting that Rayleigh was much better off for cheap rail facilities than Benfleet?—Yes.

4474. And I think you have taken the opportunity just to see what the comparable fares are, and you can now very shortly give them to the Tribunal, can you not?—Yes; I think he was particularly emphasising that in his belief Rayleigh had the benefit of some cheap day fare which was not available to Benfleet. Rayleigh is a slightly longer distance—33-odd miles; Benfleet is 29 miles from the respective London termini. The third-class single fare from Rayleigh to Liverpool Street is 4s. 6d., and from Benfleet to Fenchurch Street 3s. 9d.

4475. The former one being on the basis of the ordinary rail fare outside London?—Yes. And the ordinary returns would be double those two figures, so that for a journey at ordinary single or double fares Benfleet is quite appreciably lower. Then there is a cheap day fare from Rayleigh to Liverpool Street at 8s. 6d., which is, as I say, a slight reduction on the ordinary return fare of twice 4s. 6d. Even then it is still higher than the ordinary return from Benfleet to Fenchurch Street. In the reverse direction, from Liverpool Street to Rayleigh, there is a cheap day fare of 6s. 3d. In the reverse direction from Fenchurch Street to Benfleet there is a cheap day fare of 6s.

4476. So those are the facilities which Mr. Wellum was suggesting are less favourable at Benfleet, and we have now got the figures.

(President): Unless we hurry we shall have the Rayleigh Passengers Association here.

4477. (Mr. Harold Willis): Can we pass from that, Mr. Valentine, to the next matter. I want to ask you about this: my learned friend, Mr. Turner-Samuels, put certain figures to you to compare the price of early morning rail tickets on the Underground and Metropolitan Railways, London Transport Railways, indicating the extent to which they have gone up, comparing what we are now proposing with what they were pre-war.—And with what they were just before 1950.

4478. Do you desire, Mr. Valentine, first of all, to point out that that category of early morning fares at the present time represents only a proportion of the total early morning fares on London Transport?—Yes, that is perfectly right. He confined his questions to a comparison of the railway fares proposed in this Scheme for early morning travel with the railway fares before 1950 and before the war. But the volume of early morning travel in the London area on railways is less than the volume on road services. The road service early morning travel accounts for over 60 per cent. of all the early morning journeys in the

London area, and almost 80 per cent. of all the early morning journeys on London Transport Executive.

4479. And, of course, the facilities for early morning travel were not available until 1950, except on the trams?—That is right.

4480. And the trolley-buses, which replaced the trams?—Yes.

4481. Now, have you got a few figures you can give to the Tribunal showing, in relation to early morning fares on buses, how that compares with the position before 1950?—Yes, starting I think, if we may, from the 3-mile fare and upwards. The early morning fares proposed in the Scheme for buses would represent a percentage increase over the charge for early morning travel on buses prior to 1950 of 12.5 per cent. at 3 miles, 10 per cent. at 4 miles, 4.2 per cent. at 5 miles; no increase at 6 and 7 miles; 5.6 per cent. decrease at 8 miles, and decreases at 9 and 10 miles, but on road services there is relatively little early morning traffic at these distances.

4482. Now if we could, just to complete matters, compare the percentages involved in the proposals with the fares on buses before the war, what do we find?—The cost of early morning travel proposed in this Scheme for bus passengers, compared with pre-war, is 50 per cent. increase at 3 miles, only 37.5 per cent. increase at 4 miles, 25 per cent. increase at 5 miles, 16.7 per cent. increase at 6 miles, 14.3 per cent. increase at 7 miles. It drops to as low as 6.3 per cent. at 8 miles, but I do not think we need take it any further than that.

4483. And if we look at what the early morning traveller will have to pay under the present Scheme, Mr. Valentine, is it right that these figures should be in line, as well as the others, to make the picture complete?—Yes.

4484. In view of the large proportion of early morning travellers using the buses at the present time?—Yes.

4485. Now may we pass to another matter. My learned friend, Mr. Rippon, on the Twelfth Day—I do not think I need ask you to look at the reference—pursued his cross-examination on these lines. He took your "X" year estimates, and endeavoured to show by relation to the "Y" year estimates, that the "X" year estimates had been faulty. That was the general line of his cross-examination, was it not?—Yes.

4486. I think you wish to say a little bit about that approach to the matter, do you not?—Yes, it seemed to me to require some further comment, in that if you approach and examine the results of such estimates in relation to particular categories of fares or individual fare values, or examine the loss of traffic in particular categories or at individual fare values expected from fare increases, it seems to leave out of account altogether the fact that there would be in any event—quite apart from levels of fares—substantial fluctuations from time to time, as between the different categories and individual fare values, because traffic is not something static from year to year. It is always changing in the London area. There are

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[Continued]

moves between homes and work-places, and things are always changing to some degree, and I would not expect—and I do not think anyone would expect—that estimates two years ahead could be accurate in total, even if there were no changes of fare at all.

4487. Would it be right to say that all you could expect there is some broad fulfilment of your overall estimated volume of receipts?—Yes. I think it is possible, within reasonably small margins of error, to forecast that, unless something of a dramatic and unforeseen character occurs.

4488. You will recall Mr. Rippon putting certain questions to you in regard to the size of your fleet. The point which was being pursued, briefly, was that it was being suggested that you had reduced your fleet by something of the order of 180 or 190 vehicles; you multiplied that by an estimated figure of cost, and produced £900,000?—Yes.

4489. And you have already to some extent indicated one of the material points in this matter at question 3482; that question was: "The statistics show 194 vehicles; that is all we have to go by", and you say: "Yes; that is the total operating stock. Part of the difference—in fact, a large part—is probably due to the better mechanical condition of the fleet, and the variations in engineers' requirements"?—Yes.

4490. I think you have looked into this matter a little more carefully, since you were asked those questions, to see what the actual position was?—Yes.

4491. And I think you can now quite shortly explain to the Tribunal how that apparent reduction is not a real reduction at all?—Yes. I think where Mr. Rippon and I had got to was to agreeing that if 184 or some such number of vehicles was withdrawn from the fleet, and you can assume a saving per vehicle equal to the average annual working expenses of all the vehicles in the fleet, you could secure an economy of some £900,000; but a reduction of some 200 vehicles in a fleet of nearly 10,000 vehicles would not in any event affect many of the costs, as I think can be seen without going into it in much detail, by looking quite quickly at the British Transport Commission's Annual Accounts for 1951 at page 99 in table VI-5, where the working expenses of buses and coaches for the year 1951 are set out in the first column under six comprehensive headings.

If some 200 vehicles were withdrawn from the fleet and all the operations were scaled down proportionately by reductions run in mileage of all kinds, peaks and off-peaks, Saturdays and Sundays, it is probable that most or all of the vehicle-operating costs attributable on the average to that number of buses would be saved. It is true that most of the maintenance and depreciation of rolling stock attributable to that number of buses would be saved, but a very large part of the other traffic costs would continue, because they relate to matters which would be quite unaffected by a variation of that size in the fleet. The maintenance and renewal of ways and structures would be wholly unaffected. The vehicle licence duties applicable to the 200 vehicles saved would be saved, but the great part of the general expenses would be quite unaffected by a change in the size of the fleet of that order.

All that is on the assumption that if the vehicles were withdrawn, their withdrawal would be accompanied by a proportionate scaling down of the operations as a whole. Now that in fact is not what happened as between the end of 1951 and the end of 1952, the year in which the total operating stock was reduced by some 200 vehicles. Actually, at the end of 1952, the total number of vehicles required for service was practically the same as at the end of 1951, whether tested by the statistics we used domestically of vehicles scheduled for service or by comparing the vehicles actually worked in service, which differs slightly from the numbered schedules.

That information must give rise in our minds to the question: How then was it possible to reduce the fleet between the end of 1951 and the end of 1952 by some 200 vehicles if the number of vehicles required for service was practically unchanged? With regard to that, I thought the Tribunal would like to have briefly the main headings under which reductions in the total operating stock between the end of 1951 and 1952 arose.

The actual total reduction was 191. Of that reduction, a reduction in the number of serviceable stored vehicles

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accounts for 13, and reductions in the engineers' maintenance requirements account for 84.

4492. (Mr. Poole): What does that mean, exactly—"the end of their maintenance requirements"? Do you mean that it is a margin that they must have?—There are always some vehicles in the total operating stock which are not available for service because they are undergoing inspection, overhaul or repair.

4493. The word I did not understand was "requirements"?—Yes; the number which the engineers require is partly governed by the intervals between the times in which they have to be brought in for inspection, and there has been some lengthening of those intervals with the modernisation and improvement of the fleet.

(Mr. Poole): They do not have to have so many at once?

4494. (Mr. Harold Willis) (To the Witness): They are called in at certain intervals, and that interval of calling in has undergone some modification owing to the more modern character of the fleet; is that right?—In effect, there is a reduction in the percentage of stored vehicles required in order to allow for the engineers' need to keep the vehicles in the works or depots part of the time for repair.

(Mr. Poole): I understand.

(The Witness): But part of the reduction in this particular case of engineers' requirements is attributable directly to the disappearance of the trams, because there were excessive spares for trams at the end of 1951; there could not be enough because the trams themselves were in a very unsatisfactory condition.

4495. (Mr. MacLaren): I wonder if Mr. Valentine could break up that last figure, for the replacement of trams? If he cannot do so it does not matter, but I wonder if he could break them up for the saving in the engineers' requirements as the result of the conversion from trams to buses?—I think of the 84, 20, or very close to 20, are attributable directly to the disappearance of the trams in the sense that there were excessive spares on account of trams at the end of 1951, which was the time when the tram fleet had reduced itself to quite small proportions, as the Transport Statistics show. Then there is a reduction in the number of buses used to replace the trams that were still operating in 1952—a reduction of 42 vehicles in total. That really results from the more efficient character of the services when the system was integrated, instead of having two separate systems, trams and buses, serving that South London Area. Then there is the reduction in the number of vehicles required for training, arising out of the completion of the tram conversion scheme, which accounts for 51. That, I hope, is quite an obvious description of that item because it must be clear that when you are in the process of converting a tramway system to bus operation there is quite a lot of training to be done in respect of the tramway staff who are going to become busmen, and buses were in the total operating stock for that purpose at the end of 1951 which are not there at the end of 1952—they were not needed at the end of 1952.

4496. (Mr. Harold Willis): And those figures account, do they not, for the drop in the number of operating stock?—Yes.

4497. Then of the reductions which you have referred to it is only the reduction in the number of buses used to replace the trams—the figure of 42—which has a full and direct effect on operating expenses?—Yes. That is the only one where the reduction in vehicles would be fully reflected in operating expenses; but of course the others do represent economies in different ways. For example, the reduction in the number of vehicles required for training does imply and does carry with it a reduction in training expenditure; it is part of a reduction in training expenditure which is allowed for in the estimate for "Y" year.

4498. Mr. James did in fact refer to it as one of the items?—Yes. The reduction does not affect operating costs, but it is a reduction which shows the better standardisation of the fleet. I think the conclusion is that in the light of those facts Mr. Rippon's approach to the reductions in working expenses, in which he thought that there should be a reduction of working expenses on a number of items of total operating stock proportionate to the average working expenses of all the vehicles in the fleet,

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is fundamentally unsatisfactory in conditions of 1951 and 1952 because the reductions of the operating stock are not just a reflection of a general scaling down in the operations.

4499. The last matter about which I want to ask you is in connection with the staff in "Y" year, and perhaps I may just recall to your memory how the matter arose. Mr. Rippon first of all asked some questions of Mr. James; I think there are two short questions, Nos. 1849 and 1850, but I do not think I need ask you to turn them up. The first is: "We would like to know if you are budgeting for any decrease in staff in "Y" year?"—(A.) Yes, we are. (Q.) That has been taken into account?—(A.) In so far as exchanges will result in staff reductions that has been allowed for in Item 6". Then you were asked some questions about it by Mr. Rippon, and again I think you have been able to look into it in a little more detail, and you have a little more information on that matter?—Yes. What Mr. Rippon wanted to know was the reduction of staff that was expected in "Y" year, as he saw it, on which our estimates of working expenses in "Y" year must have been based, although they are not quite put in that way. We are, however, able to give the average number of staff in receipt of pay for the year 1953 implied in the budget of working expenses which, in fact, has been adopted for "Y" year, and set that implied number of staff in receipt of pay alongside the corresponding figure for 1952.

Before I give the figures, I think I should explain several things about them. They will not be the same as the figures in Table B5 in the Transport Statistics, because the Transport Statistics figures include staff still on the books but not actually receiving pay, whose numbers, of course, are quite substantial, because they include all the margin of staff that we have to carry to cover sickness, and they include those who are away sick—some 3 per cent. of the total. In those circumstances the figure which I shall be quoting will be roughly 3,000 below the figures that normally appear in the Transport Statistics.

4500. But that will be common both to the figures for 1952 and the estimates for "Y" year?—Yes; the figures which I shall give are strictly comparable in their basis and meaning for 1953 and "Y" year, but they are not comparable with the Transport Statistics figures, being lower in both cases. Also, they cannot be analysed as fully as the figures in the Transport Statistics, but I think they can be analysed quite sufficiently for our immediate purposes.

I think perhaps before I give them, I ought also to explain how they are obtained. It is important to remember that the basis of building up our budget of working expenses does not start, as perhaps Mr. Rippon thought it did, by settling the number of staff we shall be employing; it starts with an assessment of the work to be done. But the numbers of staff assumed to be needed to carry out the work can be derived from this basic assessment, and they are accompanied by further assumptions as to the circumstances in which the work will be done, the rate of output to be achieved and other factors relevant to the particular aspect and the budget being considered.

It has been done in quite a detailed way; for example in budgeting operating costs the first thing to be settled is not the number of staff but the mileage to be worked. The next thing after the mileage has been fixed, and after we know the general character of the mileage and the ways in which it will differ from the mileage worked in the preceding year, is to work out the scheduled costs of operating that mileage. After that the costs can subsequently be translated into terms of numbers and categories of staff required, after making the due allowances for staff required for sickness cover, holidays and other things such as recovery from overtime, and rest day working.

Similarly, on the engineering side you start with an estimate of the work to be done; for example, if it is on maintenance of vehicles, a programme of the volume of overhaul work and the maintenance of vehicles is determined before you can get to the figure of staff required.

Then, of course, assumptions have to be made as to rates of output and so on. But you can see that having completed the budget it implies employment of a

particular level of the staff on an average over the year in each department separately and you build up from that the figure for the average number of staff in receipt of pay implied in the budget and reflected in the working expenses for 1953 or for "Y" year which, for this purpose, are the same. Having given that explanation of the status of the figures, which come out to quite a precise number, I hope it will be appreciated that they are not to be taken as implying that the forecasts are accurate to the final digit, but built up in that way. I would like to give the figures under three broad headings—operating, engineering and the administrative and common services. For operating, the average numbers of staff in receipt of pay in "Y" year would be 59,121 and the corresponding figure for 1952 was 59,517.

4501. That is a reduction of 396?—Yes, that is right. In the civil, mechanical and engineering section the average numbers of staff in receipt of pay in "Y" year is put at 29,727; the corresponding figure in 1952 is 30,326.

4502. In this case, a reduction of 599?—That is right. In the administrative and common services section the "Y" year figure is 6,284 and the 1952 figure is 6,308—a reduction of 24.

4503. And if we add up the total reduction, distributed between those three categories, do we get a total figure of 1,019?—Yes; what is the total difference in the average number of staff in receipt of pay expected in "Y" year compared with the corresponding figure for 1952—a reduction of 1,019.

I should say at once, I think, that all these figures are net figures; it is not just that there are exactly that amount of reductions expected in "Y" year compared with 1952, but there are in certain sections, necessarily for certain work, some increases. But those are net figures; for example in the operating department, as will be recognised from the evidence which I have already given, on the country bus side there is a little increase of staff expected because of the additional mileage run—the augmentation being considerably in excess of the reductions for off-peak mileage in that department. On the other hand, in the central road services, where the augmentation is much less and the reductions of mileage in the off-peak periods mainly in the evenings and on Sundays has been much greater, there is a reduction of staff. So that all these increases are net increases and reflect pluses and minuses according to the scale of the job, and reflect also any elements of improved efficiency which run through the whole picture.

4504. Taking into account all the circumstances as you anticipate them in "Y" year, do you regard that overall reduction of just over 1,000 as a satisfactory result?—I think perhaps I would rather let the figures speak for themselves than make any comment which might to some extent make us appear self-satisfied—because we are never satisfied with London Transport. I hope it is fair to say that the prospective reductions in staff on such a scale implicit in the estimates of our working expenses for "Y" year, do afford some evidence that the relentless pursuit of economy and efficiency in all parts of the undertaking does bear some fruit.

(President): Very well, Mr. Willis; we shall follow our ordinary practice and reserve any questions which we have to ask Mr. Valentine until the objectors have been heard.

(Mr. Harold Willis): If you please, Sir.

(Mr. Turner-Samuels): On the Eleventh Day, Mr. Valentine promised to give me some information as to the amount spent per head of the population of London upon travel. I have now had that information by letter and it may be convenient if the information contained in the letter appeared in the transcript. At question No. 3326 I put to Mr. Valentine that the average expenditure per head of the population would be £9.6 for "Y" year; it appears that in my figure of population I had not added in the population served by the London, Tilbury and Southend Line beyond the London Area. Adding those figures in, the total population should be 10,200,000 which, divided into the "Y" year takings of £94,352m. at the proposed charges of the Draft Scheme, gives a total takings, per head of population, of £9.25.

4505. (Mr. Harold Willis): You will recall, Sir, that Miss Forster was asking questions about these auto-cycle



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registration figures, and there was a little difficulty as to the area covered by the figures. I now desire to get on the Note the fact that the auto-cycle figures related to the London Area; that is to say, they were registrations with authorities covering the London Transport Area. (To the Witness): That is the precise area covered by those figures, is it not?—That is right.

(Mr. Harold Willis): I think it was left in a little doubt.

(President): Yes, but I do not think you need pursue it. They were county registrations?

(The Witness withdrew.)

(Mr. Harold Willis): My learned friend Mr. Kenneth Potter will now call the Commission's last witness, Mr. Roberts.

MR. JOHN EDMUND MARLING ROBERTS called.

Examined by Mr. POTTER.

4506. Is your full name John Edmund Marling Roberts?—Yes.

4507. Are you the Rates and Charges Officer of the Railway Executive?—Yes.

4508. Have you held that position since 1949?—I have.

4509. And in that office have you been closely concerned with all the problems connected with passenger fares?—Yes.

4510. Before that appointment, had you had about 20 years experience of railway traffic working?—Yes, I had.

4511. Had you held a position of responsibility as a District and Divisional Officer at a number of centres on the former London and North-Eastern Railway Company?—I had.

4512. And had you been Passenger Manager of the North-Eastern Area of that Company?—Yes.

4513. For a brief period were you at the Southern Region Headquarters of British Railways?—Yes, I was.

4514. As we know, you gave evidence for the Commission during the Hearing of the 1952 Charges Scheme relating to the proposals for the area outside London?—Yes.

4515. Will your evidence be devoted to explaining the commercial case for the increases proposed in Part IV of the Draft Scheme of fares on the lines of the Railway Executive other than the London Lines, that is to say, outside the London Area?—Yes.

4516. It will be convenient, I think, to have before us B.T.C. 601 and B.T.C. 602, the exhibits, and Statement B.T.C. 6 which explains those exhibits. Were you responsible for the preparation of those exhibits and of that Statement?—Yes, I prepared all three.

4517. What is the principal object of the proposals relating to the Railway Executive outside the London Area?—The principal object is to ensure that the railway passenger services outside the London Area continue to make the maximum contribution to the receipts of the Commission which can be reasonably expected from them. Statement B.T.C. 4 and Sir Reginald Wilson's evidence have explained the financial position which still makes it necessary to set this as the objective for any change in passenger charging arrangements outside London.

4518. The 1952 Passenger Charges Scheme enabled the Commission to charge ordinary fares up to a maximum of 14d. a mile third class in 1952, and of 2d. a mile third class as from the 1st January, 1953, and fixed scales of maximum charges for early morning return fares and season ticket rates?—Yes, that is right.

4519. And it left the Commission free, as the Railway Companies had been for many years, to introduce at their discretion any reduced fares which are calculated to increase rates by bringing new business?—Yes.

4520. Does that code of charging enable maximum passenger receipts to be earned outside London?—In general yes, but in two categories of charge, namely, the early morning return fares and season ticket rates, an increase on the present maximum charge will, we estimate, yield additional receipts.

(Mr. Harold Willis): Yes—they were registrations with the London County Council or with some of the other County or County Borough Councils.

(President): Some of the other counties would have to be split, would they not?

(Mr. Harold Willis): I agree that there is some element of further refinement required to get the matter quite precise.

(President): There are some extra territorial auto-cycles in these figures!

(Mr. Harold Willis): Yes, Sir.

4521. So the changes proposed in Part IV relate only to these two categories of charge?—Yes, that is so.

4522. And in each case the charges are the same as those proposed within the London Area, and they are explained in B.T.C. 5?—Yes, they are precisely the same.

4523. These increases are estimated to yield £0.3m. from early morning travel, and £0.2m. from season ticket travel outside the London Area?—Yes, that is shown in Column 6 of B.T.C. 602.

4524. In paragraph 1 of B.T.C. 6—your statement—you explain why the proposed early morning return and season ticket scales are, like the present scales, the same inside and outside the London Area?—Yes. With the need that there is for additional receipts from passenger traffic outside the London Area, there is no reason we can see at present to disturb this parity by imposing differential increases.

4525. In paragraph 2 of B.T.C. 6, you explain why the Commission desire to retain the maximum ordinary fare of 2d. per mile third class both single and return, although they are in fact now charging 14d. a mile, and although they intend to continue to do so for the time being?—Yes, that is so.

4526. Before the 1st May, 1952, when the 1952 Scheme came into operation outside the London Area, the standard ordinary single fare was 2.44d. per mile, third class, but there was a cheaper monthly return fare in general use, was there not?—Yes, there was a cheaper monthly return fare in general use.

4527. Is it yet possible to say what has been the effect of the reduction in the ordinary single fare to 14d., of the introduction of a return fare at the same rate, and of the abolition of the monthly return fare?—As was only to be expected, this reduction in the price of ordinary single travel and the change in its relationship with the price of the period return fares has increased the user of the single ticket, but it is too soon yet to say how far this is new railway travel or how far it represents simply transfers from other categories of booking. There is some reason to believe that there is new travel at the shorter distance—say up to 30 miles—but that the effect on the volume of longer distance travel is probably not great. The difficulties of making an accurate theoretical assessment of a basic change of this sort were mentioned at the last Inquiry, and now that it has been made we need more time to test its financial results in practice. Meanwhile, it would be unwise to disturb the new basis of single fare, and any estimate we might make now of a general reversion to a differential in the price level between ordinary single and period return fares would be hedged about with just the same uncertainties as affected our original estimates.

4528. May we now turn to Exhibit B.T.C. 601. Does that table show the present trend of passenger journeys and receipts outside the London Area?—Yes.

4529. Projected to "Y" year on the assumption that no change is made in the level of fares?—Yes.

4530. Is there any general comment which you wish to make on this table?—Yes. I should like just to point to

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the contraction in volume which is shown in ordinary early morning return and season ticket travel, when 1952 and "Y" year are compared. Although this contraction is not very great, it makes a prudent allowance for the effect on passenger carryings of the uncertainties in the general level of industrial activity, which, more than any other single factor, now affect the volume of our passenger business. The increase in the cheap day return fares is attributable to an extension of these fares mainly in areas where they are already in operation.

4531. And the figures for ordinary fares in lines 1 and 9 of B.T.C. 601 include the business and holiday traffic formerly travelling by monthly return tickets?—Yes, that is so.

4532. Does a reduction of all railway ordinary fares—that is to say, without any discrimination—offer any prospect now of improving receipts?—No, no more prospect than it did last year. Any such reduction would naturally bring more traffic to the railways, but not on a scale sufficient to compensate, either on a long or short term view, for the loss in receipts on existing carryings which it would entail.

4533. Is there any prospect of improving receipts by making selective reductions in the ordinary fares?—Yes, selective reductions below the ordinary fare of 1½d. per mile are continuing to show good results. In particular, reduced fares for short distance return journeys round the main centres of population are encouraging travel which would not be attracted to the railway at the rate of 1½d. a mile in present circumstances. These reduced fare arrangements, adjusted from time to time, will be continued and possibly developed. Experiments are also being made with reduced fares in other fields where there is a possibility to increasing railway receipts. For example, the Railway Executive is just embarking on an experiment with a much reduced period fare between London and Edinburgh and Glasgow. There is a big potential railway traffic on this route, some of it going by road and some not at all, and the reduced fare there will be selective in that it will only apply to travel between the terminal points—it will not be reflected in intermediate fares—and it will only be applied at those times when there is a likelihood of developing new traffic. The bookings so

far have shown an encouraging start, but we cannot possibly give any assessment of the financial results until the experiment has worked for some time and the effect on the loadings of other trains has been ascertained.

4534. Turning again to B.T.C. 601, do the 1952 figures reflect the effect of the standstill from the 1st May to the end of August, 1952?—Yes.

4535. And are the modifications which were made in the proposed treatment of sub-standard and concessional fares—that is to say, the modifications which took effect from the 1st September, 1952—reflected in the estimated receipts for 1952 and for "Y" year?—Yes, that is so.

4536. Turning to B.T.C. 602, does that show the estimated Railway Executive gross receipts for "Y" year at the existing level of charges, and then give the estimates of the yield, both gross and discounted, from the proposed increases in early morning return fares and season ticket rates?—Yes, for the area outside London.

4537. The discounts in Column 5 appear to be small. Why is that?—The effect of the proposed increase in charges upon the volume of traffic is likely to be very small, and in consequence only token discounts for loss of travel have been made in Column 6.

4538. In Paragraph 6 of B.T.C. 6, you explain that the estimates of yield in B.T.C. 602 are based on the assumption that sub-standard fares and rates will be increased by no more than the equivalent standard fares and rates?—Yes, that is so.

4539. The provisions of Parts V to VIII inclusive, of the Draft Scheme, also relate to passenger services outside the London Area, but do not introduce any alterations to the 1952 Scheme as confirmed?—That is correct.

4540. (President): What are those parts?—Continental boat traffic, etc.

(Mr. Potter): Part V deals with Continental boat traffic, Part VI deals with children and young persons; Part VII deals with luggage, and Part VIII is the miscellaneous matters.

(President): The Royal Ski Club are content with the figures which were reached last time for the Continental traffic, I gather?

(Mr. Harold Willis): They appear to be so far, Sir.

Cross-examined by Mr. GEOFFREY LAWRENCE.

4541. May I ask you a question on a topic on which I addressed some questions to Sir Reginald Wilson? Although he was not able to give me the answers, I rather think you might be able to. Have you B.T.C. 602 in front of you?—Yes.

4542. Would you look please at the figures in Column 2—"Y" year at existing charges?—Yes.

4543. Lines 5 and 6—early morning return fares and season tickets?—Yes.

4544. £3,600,000, and £5,400,000 for season tickets. If I add those together, I get the figure of £9m. do I not?—Yes.

4545. Now I wonder if I may ask you to turn back to a document which was in evidence at the last Inquiry, which is B.T.C. 313A—you will find it conveniently printed at page 158 of the Minutes of the Seventh Day?—Yes, I have a copy of that in front of me.

4546. That was a table of estimated receipts for "X" year both at existing charges and at proposed charges?—Yes.

4547. Would you look at Column 7—"Estimated receipts for 'X' year after allowing for loss of traffic"—Column 2 plus Column 6. That column gives us the estimated receipts for "X" year after the proposed increases had been made, does it not?—Yes, that is so.

4548. Now would you look at Line 3—that is called "Workmen, Shift Workmen". That is another way of saying early morning return fares, is it not?—Yes. "Early morning return fares" displacing Workmen and also the Shift Workmen, yes.

4549. And then the next line, "Season Tickets"; that is the same description as we have now. Do you see the figure for the Workmen is £3,569,000?—Yes.

4550. And the figure for season tickets is £4,792,000?—Yes.

4551. If I add those two together, and also if my arithmetic is correct, the total is £8,361,000, is it not?—Yes.

4552. Then if you would be good enough to keep that in your mind, may I draw your attention now to Paragraph 4 of B.T.C. 6: "The 1952 estimated figures reflect the changes which the Commission undertook to make in consequence of the Resolution of the House of Commons, dated 28th April, 1952. These changes involved a limitation of the extent by which sub-standard and concessional fares and season ticket rates should be increased; and were estimated to reduce the total yield by an amount of rather less than £700,000 per annum mainly through their impact on early morning fares and season ticket rates"?—Yes.

4553. So that it would be fair, would it not, to adjust the picture for "X" year by deducting from the total of early morning fares and season ticket rates something to represent the effect of Government intervention?—Yes, that would be quite fair.

4554. And if I suggested that that figure should be, say, £600,000, that probably would be a fair figure on the basis of Paragraph 4 of this Statement?—Yes, I think it would be.

4555. If you will kindly follow me and do that little sum with me, £8,361,000 less £600,000 leaves me with a net figure of £7,700,000, does it not?—Yes.

4556. That is the figure which I suggest is comparable with the figure of £9m. which we get, you remember from B.T.C. 602, by aggregating the "Y" year existing charges receipts from early morning return fares and season tickets?—No, I think, Mr. Lawrence, that one rather important factor has been left out there for comparative purposes, because on the 313A figure you will see in line 5, Column 7, that there is £1,071,000 in respect of Traders' season tickets. The comparison of season ticket figure with season ticket figure between the two years should

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[Continued]

really include, for "X" year, the addition of £4,792,000 plus £1,071,000. The withdrawal of the Traders' season ticket is, in effect, a combination of the public season ticket and the Traders' season ticket categories.

4557. I am not quite sure that I have followed that. Does that mean, then, that we cannot get a comparable gross figure at all, or that we can get one if I add in £1,071,000 to the aggregate of £3,569,000 and £4,792,000?—Yes. If you wish to make a comparison as far as it is possible to make it, between "X" year and "Y" year, the £1,071,000 should be added into the "X" year figures.

4558. It may be that you have given me the explanation I was seeking. Without adding them in or without some explanation of that sort, there is a difference of £1.3m., is there not, from the estimated figures for "X" year for these two categories, and the figures on B.T.C. 602 for "Y" year at existing charges. Do you follow that?—I quite follow that, yes, and that I think is why the Traders' season ticket is material in the comparison.

4559. Does that mean this, that the season tickets in B.T.C. 602 include Traders' season tickets?—Traders' season tickets no longer exist.

4560. That is the explanation?—Yes.

4561. It has dropped out altogether?—Yes, it has dropped out altogether.

4562. As a source of revenue?—As a source of revenue.

(Mr. Harold Willis): We hope the revenue has been transferred, at least in part, to the ordinary season ticket.

(The Witness): Yes, that is right.

4563. (Mr. Geoffrey Lawrence): Yes, I see what you mean. So that difference of £1,071,000 is a part bridging, and certainly the greater part bridging, the gap between identity and £1.3m.?—Yes.

Cross-examined by Mr. GLOVER.

4571. I should like to ask a few questions on behalf of Brighton Corporation. I want to come down to a particular case if I may, that of the Brighton Objection. That Objection deals almost entirely with the proposed increase in the season ticket rates, and I should like to confine this cross-examination to that. I do not think you need any papers for my earlier questions, because I want to see how far we can agree on the general factors that affect this line. If we may start with the season ticket holders, there was a certain amount of discussion between Mr. Valentine and one of my learned friends on this subject, but I should like your views, if I may, on the season ticket holder's place on this line. Would you agree that he is a stabilising influence on traffic on this line?—Yes. It is a very important element in the traffic on the Brighton line indeed.

4572. He pays for a certain amount of transport whether he takes it or not?—He pays for the right to travel between the stations on his ticket for the period of his ticket.

4573. (Mr. Sewell): He could travel by every train every day if he had time, could he not?—Yes, Sir.

4574. (Mr. Glover): Then I think he might be described as a fiend rather than as a season ticket holder. (To the Witness): Another thing he needs is speedy travel if he is going to travel long journeys?—Yes, I should have thought that the Brighton man needed it no more than any other passenger making a long journey. Speed is obviously a desirable thing.

4575. Yes, I am not particularising, but in the case of Brighton he has this very fast service, has he not?—Yes, he has a good service to Brighton.

4576. I think it is mainly made up, is it not, of very fast trains which take about an hour for the 51 miles?—Yes.

4577. And also not so fast trains, but still fast, that stop once or twice?—Yes, and I think there is a third category of train, which stops almost all the way.

4578. Yes, but that is possibly a category which the season ticket holder might want to avoid?—Yes, but the trains are there.

4579. If we may deal with the first two types of train, the fast train is, taking it generally—and I am trying to avoid discussion of how much of the central charges and general

4564. It does not quite fill the whole gap, does it, by something just under £0.3m.? That is about as near as one can hope to get in these estimates?—I think on that particular comparison, it is.

4565. I am not being unkind about it, because I know how difficult it is, but this is rather on the lines of the suggestion I have made in relation to other matters, that at the 1951 Inquiry there was here and there in certain material matters some under-estimating by the Commission of their "X" year receipts?—Yes.

4566. And on the face of it, until you gave me your explanation, it looked as if I had spotted £1.3m. of it, and I am left now with £1.3m. less £1,071,000?—Yes. Of course, breaking it down into the two component parts of early morning returns and season tickets, with a certain amount of rounding, you will see on the last occasion a figure which appeared for workmen's of £3,569,000, I think it was, is now £3,600,000, although in B.T.C. 602 you will see that we have not gone beyond the nearest £100,000 on this occasion, whereas we attempted to go into rather greater detail last time.

4567. Yes, I follow that. That means that the edges are slightly blurred?—The edges of each part of this are slightly rounded.

4568. The edges are blurred, or rounded as you say. So be it. Now may I just draw your attention to this—this is only mathematical—Column 3 gross yield from proposals made in the Scheme in respect of early morning fares, is exactly 10 per cent, is it not?—Yes. In fact it has not been calculated in that way; it is a coincidence.

4569. It is a coincidence that it is 10 per cent.?—Yes.

4570. For season tickets, expressed as a percentage, the figure is just under 4 per cent., so I am told?—Yes. There again, we did not make the calculation on a percentage basis.

(Mr. Geoffrey Lawrence): Very well, I follow.

charges you should allocate to this and that—cheaper to run, is it not, than the slower one over a given distance?—Frankly, I find it very hard to give a general answer to that question on that particular line or on any particular line.

4580. Is that because you cost them all together?—Frankly, it is because I do not know in the case of Brighton. I have not looked at the figures; I do not think figures are in existence to tell me.

(President): You mean a fast non-stop to Brighton and a slow non-stop to Brighton—not the slow stopping train?

4581. (Mr. Glover): I mean the slow stopping train. If I did not make that clear, I am sorry. I mean the stopping train as one side of the balance, and the fast non-stopping train as the other.—I think I should probably expect the fast train to be rather the cheaper, but I am afraid it is always a little dangerous to speak on impressions.

4582. This is another general point: When you put up the fares from Brighton, if they are put up, are you not going to confront the season ticket holder, are you not, with certain alternatives, and I should like to put them to you. The first one is that he can pay the increases with as much good will as he can muster?—Yes.

4583. The second one is that probably he can find an alternative method of transport?

(President): I should have thought that the second one was to pay the increase with as much bad will as he can muster.

4584. (Mr. Glover): That I would be willing to accept on behalf of the inhabitants of Brighton. (To the Witness): He can find alternative transport?—Yes.

4585. But from Brighton that is very difficult?—He certainly cannot find alternative transport at the same speed that the railways offer.

4586. I think you agreed that that was one of the things he looks for?—Yes.

4587. The third thing he can do is to move nearer his work?—Yes, that is a possible alternative.

4588. We will come on later to the figures you estimate that the drop in this traffic is going to represent, but if that is done the position from the point of view of the



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Commission becomes rather serious, does it not?—We lose the additional travel, yes.

4589. You lose the additional travel, and you lose a season ticket for a year for a far distance, 51 miles?—Yes, if the increase does of itself induce people to move.

4590. We will come to consider how much it might later. Further, if I may put this to you though I do not know that it is strictly a question for you, if that does happen it will have an effect on the town of Brighton? If it happens in any considerable degree it will have an effect on the town of Brighton itself?—To the extent that the removals out are not balanced by the removals in.

4591. I do not think we need waste much time over it, but if the removals out are caused by an increase in fares, would you expect a counter-balancing movement in?—I think I should be extremely surprised if there were many removals out attributable to an increase in fares.

4592. That we may come on to later, if you do not mind; but if that does happen, then Brighton itself is going to become a less attractive town for your other type of traveller who mainly uses this line, and by that I mean the person going to the sea either for a holiday or for the day?

(President): Why, or in what respect?

(Mr. Glover): Because the attractions which the town can offer will, in my submission, depend upon the amount of rateable value that that town has on the rates it can collect. Therefore it will be my submission—I do not know whether you want me to go into it now; I am quite willing to do so—that if there is an efflux of season ticket holders and residents from Brighton—

(President): Not compensated for by an influx?

(Mr. Glover): Certainly, Sir—then in so far as that reduces rateable value, it is going to reduce the attractiveness of the town, because they will have less money to spend; and then that is in itself going to mean that less people are going to go to Brighton as a holiday resort, which will further, I am going to suggest, mean a drop in revenue to the Commission from loss of this holiday traffic.

(President): It is an alarming thought to contemplate the gradual abandonment of Brighton as a living centre, and going back to desert conditions—or perhaps not desert, though lots of sand.

(Mr. Glover): I think it is a sand beach, and it might encroach.

(President): One must take long views, even on a Charges Scheme.

(Mr. Glover): I am sure you do not want me to argue the point before you now.

(President): Not at the moment, no.

4593. (Mr. Glover): If you do not mind, I will do it later. (To the Witness): Have you any figures for the ordinary traffic which travels to Brighton?—No, I do not think I have them with me at the moment today; no, I have not.

(Mr. Harold Willis): What do you mean by “the ordinary traffic”?

(Mr. Glover): I mean the non-season ticket travel at the ordinary or cheap day rates.

(Mr. Harold Willis): Between London and Brighton, or between intermediate stations and Brighton?

(Mr. Glover): London to Brighton. We need not go into figures, but can you tell me if that traffic is considerable?

(President): I think he could possibly, if you tell him what you mean by “considerable”.

(Mr. Glover): I do not know what scales they work on, so I am willing to accept his definition of “considerable”.

(The Witness): It is sufficient to fill an hourly train service throughout the day, very considerably augmented at the week-ends and in holiday times. From the revenue-earning point of view it is a very important group of traffic; there is no doubt about that.

4594. (Mr. Glover): It produces a lot of traffic which pays well. When I say “pays well” I mean it produces

a lot of net revenue for the Commission.—Frankly I do not know, I am afraid. As I say, I have not been able to examine any figures which will show how much the Brighton trains are costing to work—how much the traffic is costing to work, individually.

4595. May we now come down to some figures. You have very kindly provided for those instructing me a document which is headed “Summary of the issues for the years 1951 and 1952 together with an estimate of the number of season ticket holders represented thereby”. Have you that document in front of you?—Yes, I have that in front of me.

4596. The document does not specifically say so, but is this the summary of the numbers of season tickets issued between London and Brighton?—Yes. May I just see that I am certainly looking at the same group of figures as you are? I have a table in front of me here in which there are a series of columns: “Numbers of issues 1951”, “Numbers of issues 1952”, and for twelve months the figure is 452 in 1951 and 454 in 1952.

4597. Yes, that is right.—Those are tickets issued between London and Brighton for the period shown in the left hand column, both ways.

4598. Either issued at London or issued at Brighton: that is what you mean by “both ways”?—Yes.

4599. Can you tell me how many of those are what is called the non-intermediate ticket, and how many are the intermediate?—No, I have not that figure split.

4600. So that we shall have to deal with total figures?—Yes.

4601. (President): Just give me the figures again for the two years. We have not got this document, and I do not think we want it; it will appear in the Note. Just give me the figures.—The 1951 number of season tickets issued, and 1952 number of season tickets issued.

4602. What were the 1951 figures?—For the twelve-monthly ticket in 1951, first and third class together, the number was 452; in 1952 the figure was 454.

4603. (Mr. Sewell): Are those only twelve-monthly tickets then?—Those are the twelve-monthly tickets.

4604. If a person takes two six-monthly tickets that is not shown in here?—No. Then he goes into the six-monthly column.

4605. (Mr. Glover): I will go into these figures a little more closely, but at the moment I only wanted to get them as a preliminary. (To the Witness): In the bottom half of that table you show the estimated number of season ticket holders for 1951 and for 1952?—Yes.

4606. Those bottom figures are calculated by dividing the number of tickets for any period issued by the number that that period for which they are issued goes into twelve months? To put it shortly, you have 452 twelve-monthly tickets issued in 1951 and you say that that represents 452 ticket holders?—Yes.

4607. When we go to the three-monthly for 1951, you have 14,114 tickets issued?—Yes.

4608. And that represents a number of ticket holders of 3,529, I think it is?—Yes.

4609. If you look at the twelve-monthly tickets for 1951, just to get the trends—I am not particularly interested in the figures—you get 284 first class, 168 third class and a total of 452?—Yes.

4610. I will just take one more, the three-monthly tickets. You get there first class 2,646 season tickets issued, and if you go to the third class you get 11,468 season tickets issued?—Yes, that is right.

4611. If we look at the 1951 totals as against the 1952 totals there is an increase in the number of twelve-monthly tickets issued?—Yes.

4612. Of two. There is a decrease of something like 2,330, is it?—Yes.

(Mr. Harold Willis): A decrease in what?

4613. (Mr. Glover): In three-monthly season tickets sold of both classes.—Yes, there is a decrease in three-monthly tickets sold.

4614. If we now look at the totals, we see there is a total decrease from the number issued in 1951; 22,711 was the total figure for 1951?—Yes, first and third class.

4615. Yes, I am much obliged. And the comparable figure for 1952 was 21,861?—Yes.

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4616. So that on your last charges increase there was a drop of something like 1,000 season tickets issued?—No, I think it is mistaken to attribute the drop to the last charges increase. First of all, the last charges increase did not in fact operate until 1st September, 1952, so that it only worked for a very short period of the year. Secondly, the trend from first class to third class has been something which we have been experiencing in all branches of travel since the end of the war, and is attributable in my view much more to people having less money to spend than it is to the immediate impact of a Charges Scheme. Thirdly, taking the decrease overall, at the beginning of May early morning return fares were introduced between Brighton and London where they had never had workmen's tickets before, and they are a very cheap fare indeed at a distance of 55 to 60 miles.

4617. It is 51 miles actually.—Yes. They are still a very cheap fare indeed at the distance: they are less than a halfpenny a mile.

4618. Are they cheaper than the season ticket?—It depends on the period of the season ticket, and the use the person makes of the season ticket. In a lot of cases undoubtedly they are.

4619. If we may just finish the figures I was on, if we go to the estimated number of season ticket holders for 1951, we see a figure of 4,530?—Yes.

4620. And the comparable figure for 1951 is 4,069?—Yes. That, I think, is not entirely, but largely due to the early morning fare.

4621. There are just one or two more figures I should like to put to you. First of all, there is the cost of a season ticket between London and Brighton taken at certain years, 1940 and 1947. Have you those figures?—Yes.

4622. I think these are figures you have supplied to us, but let me see if I have them right. In May, 1940, a first class season cost £17 1s. 0d.?—May I stop there for one moment, because I have a correction on my copy and I want to check up on it.

(Mr. Poole): For what period, twelve months, six months or three months?

(Mr. Glover): Quarterly, Sir.

(President): Brighton Corporation did not put in any tables, did they?

(Mr. Glover): No, Sir. I have been only very recently instructed in this matter, and I cannot find that they have put in any tables. I apologise for that. If you think that any of these figures I am producing should be in the form of a table, and will so allow me to put them in, I will take what steps I can.

(President): We do not want any more put in, but we should find it easier to follow the cross-examination if they had been put in. I imagine you will have finished your cross-examination today, will you not?

(Mr. Glover): Certainly.

(President): Nothing can be put in until next Tuesday morning.

4623. (Mr. Glover): I appreciate your difficulty, Sir. (To the witness): You have the figure, have you?—Yes.

4624. It is the quarterly season that we are discussing. A first class in May, 1940, cost £17 1s. 0d.; is that right?—May I correct that to £15 0s. 4d.?

4625. I am much obliged to you. The third class at the same period was £12 7s. 6d.?—That is the second correction, if I may make it. It is £10 18s. 1d.

4626. The next date I want you to take is October, 1947.—Yes.

4627. The first class quarterly season ticket at that date cost £21 3s. 0d.?—Yes.

4628. And the third class at the same date cost £15 7s. 0d.?—Yes, that is right.

4629. The existing charges today are first class £22 5s. 9d.?—Yes.

4630. And the third class is £16 6s. 3d.?—Yes.

4631. With your proposed increase under this Scheme the first class will be £22 13s. 9d.?—Yes.

4632. And the third class will be £16 11s. 3d.?—I am told it will be £16 11s. 6d. actually.

4633. That is an increase of 5s. 3d. over the period?—Yes.

4634. But the maxima possible under this Scheme, if it is confirmed without modification, will be the first class £25 14s. 6d.?—Yes, for a distance of 51 miles.

4635. And for a third class it will be £17 3s. 0d.?—Yes.

4636. (President): Is the difference between the proposed and the maximum the sub-standard element?—Yes, the fact that we had to continue the non-intermediate season tickets.

4637. (Mr. Glover): Will you try and get me figures of the issues of non-intermediate tickets for Brighton?—It may take a little time to extract those figures, I think. I know it is a very substantial proportion of the whole, but I cannot remember what proportion it is.

4638. A very substantial proportion of the whole?—Yes, it is a very substantial proportion of the whole.

4639. A very substantial proportion of the whole might find themselves confronted by a fairly, or very, substantial increase?—I do not know that I could really answer that question.

(Mr. Harold Willis): You mean they might then, Mr. Glover?

(Mr. Glover): If the Commission decide to increase the charges to the maximum possible under this Scheme.

(Mr. Harold Willis): I do not know whether you were here when I opened the case, but I did explain the undertaking given by the Commission in this matter. I do not think you were here.

(Mr. Glover): No, I was not here.

(President): We will adjourn now and perhaps someone might refer you to the undertaking.

(Mr. Glover): Yes, I am much obliged.

(President): I have no doubt either Mr. Fay or Mr. Potter will tell you what Mr. Willis said, and where he said it.

(Adjourned for a short time.)

(Mr. Geoffrey Lawrence): I wonder if you would allow me to make an inquiry as to whether my learned friends would be able to help me to discover whether there will be the slightest reasonable chance of my being able to start my case this afternoon before you rise. It is towards the end of the week and I do not know what the position is.

(President): I do not know either. How long will you be, Mr. Glover?

(Mr. Glover): Not more than a quarter of an hour—it may run perhaps a little more.

(President): Mr. Turner-Samuels?

(Mr. Turner-Samuels): I have only one topic—I should only be a few moments.

(Mr. Mercer): Mr. MacLaren will take at least half an hour, or perhaps longer.

(Mr. Vian-Smith): I too have some questions to ask the Witness.

(President): It does not look as if we shall be occupied for two and a half hours, Mr. Lawrence.

(Mr. Geoffrey Lawrence): Then I will wait.

(President): If those prognostications look less favourable, or unfavourable, perhaps we might—a little later on—ask again.

4640. (Mr. Glover): Mr. Roberts, during the adjournment I read the undertaking which was given by Mr. Harold Willis during the first day of the Inquiry. Having read that, I would like to amend my last question and to put it this way. That, subject to that undertaking, the position is, is it not, that the season ticket holders from Brighton face the possibility of a substantial increase in their season ticket rates, up to—in the case of first class passengers—£25 14s. 6d., and in the case of third class £17 3s.?—Subject to the undertaking.

4641. Subject always to the undertaking, and subject to what the undertaking means.—Yes.

4642. Now, Mr. Roberts, may we look at some figures in B.T.C. 601. I just want to get clear in my own mind here. Column 2 of your exhibit shows Journeys in the

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first half and Receipts in the other half, for 1952 estimates, and the exhibit is headed "Passenger Receipts and Journeys at Existing Charges", is it not?—Yes.

4643. Am I right in thinking that by "existing charges" that 1952 means at charges as they were existing from time to time?—Yes.

4644. And that your "Y" mean estimate is for charges as existing now?—Yes.

4645. Thank you very much. So where you see a drop in journeys under line 7, season tickets, of something like 3m., just over 3m.

(President): Why 3m.?

4646. (Mr. Glover): 2.34m.—I am sorry. And in line 15 there is a small increase of £452,000. One of the reasons for that is the increase in charges in 1952?—Yes, that is so. One of the reasons there is the fact that the increase in charges runs for a full year in the "Y" year estimates, and for a part of a year only in 1952.

4647. And the 1952 figures, as far as receipts are concerned, also take account of the Government intervention?—Yes.

4648. Now may we go to Exhibit 602.

(President): Perhaps we might complete that—the "Y" year figure does not take account of any apprehended further Government intervention?—That is quite true.

4649. (Mr. Glover): Now Exhibit 602, item 6—season tickets. Column 2, "Y" year at existing charges gives us £5,400,000?—Yes.

4650. And am I right in supposing that is calculated on the figure of 103m.?—Yes, 103m. journeys—both are forward estimates.

4651. Then your yield is calculated on the increases, and there is a discount for loss of traffic?—Yes.

4652. That discount for loss of traffic is a discount from the figure of 103m.?—Well, that presupposes, of course, that after the increase in charges the same number of passengers will travel the same distances, which is not necessarily a correct assumption? You cannot just take the percentage which 10 represents to 5,610 and say that of a certainty we expect our "Y" estimates of 103m. to go down by the same amount.

4653. No, but it is a further drop?—Yes.

4654. Can you tell me in calculating that, did you calculate it as a set figure overall?—I think the explanation is a general one, which I gave this morning. We did not expect there to be any substantial fall in traffic as the result of these increases which we are proposing here, outside London. We recognise that there may be some slight reduction of the traffic and we make a token reduction for it. It is comprehensive of the whole of the season ticket travel outside London.

4655. And in making that estimate, did you consider that the percentage drop would be the same for a journey of 10 miles as for one of 50 miles?—We did not do it that way at all.

4656. Surely to get an accurate figure you need to do it that way?—Taking it over the range of season ticket travel outside London the increase is so small that I think it would be quite impossible to make any calculation.

4657. The increase is very small and the revenue produced by it is very small, is it not?—Very small is a relative term. The increase is £200,000, which we need.

4658. And the amount of that £200,000 produced by the Brighton travellers is something like just over £4,000, taking as a basis for that calculation the estimated number of season ticket holders in 1952.—I am sorry, I do not follow the calculation.

4659. Taking the estimated number of season ticket holders, we know how much the quarterly rate is going up—it is a guinea a year, is it not?—Yes.

4660. And so that calculated monthly—although the increase may be a little more, because denominations under a quarter are going up proportionately more, are they not?—The monthly tickets are going up 2s. a month.

4661. Taking the figure of a guinea a year for each traveller, we get an increase from this line, if there is no drop in traffic, of something like £4,000.—Yes, 4,000 multiplied by a guinea.

4662. 4,069 multiplied by a guinea, which is not a considerable amount to the Railway Executive, is it?—It is a considerable amount out of that group of traffic.

4663. And to do that you risk quite a large loss, do you not, for each traveller that you persuade by your increase in charges to live nearer London or to travel in some other way?—But I do not feel that adding 5s. 6d. to a season ticket charge of £16 6s. 3d. involves a serious risk of loss of traffic.

4664. You do not?—No.

4665. So you feel quite contented, do you, that you can put that up and no one will kick against it, if I may use a somewhat homely expression?—Taking your expression "kick against it", no doubt they will protest, but I doubt whether it will have any significant effect on traffic, if any at all.

4666. Now I think there is just one last point I want to come to. Why do you consider that there should be an increase on this line?—Because we are not only considering this line but considering the Railway Executive services outside London, and we need more money for the season ticket travel.

4667. But there is no suggestion, is there, that these people travelling from Brighton are not paying for their journey?—I cannot be precise, as I have already said, on the cost of conveying them in relation to the receipts we get from carrying them.

4668. But would you expect them to be paying for their journey?—I would expect them to be, I think, in this case.

4669. I do not want to be unfair about this at all, but this increase is merely to get money from the travellers from Brighton to pay for losses elsewhere, is it not?—Not necessarily, no.

4670. Why is it then?—Because we need the money from season ticket travel from the railways generally outside London.

4671. Let me put this point to you—do you feel that if the Brighton season ticket did not go up there would be a protest from any other traveller?—I see no reason at all for not putting the Brighton season ticket up when we put the others up.

4672. Even if the Brighton travellers are paying for the services they use?—A lot of other people are doing the same.

Cross-examined by Mr. D. J. TURNER-SAMUELS.

4673. If you look at B.T.C. 601, item No. 6, you will observe that the journeys originating at early morning return fares will be reduced in "Y" year by any further reduction due to increase in charges 4.3m. a year?—Yes.

4674. Is the "Y" year estimated figure based on the figure for early morning return from travel in the last three months of 1952?—No, it is not.

4675. On what is that figure then based?—That figure is based on the forward estimate for, I think, the first six months, re-checked in December.

4676. How did you arrive at your forward estimate for the first six months? On what level of travel did you base your estimate? Actual results?—Yes, actual results for the first six months of 1952. We then tested it again later.

4677. And what did your test in December show?—I think you said December?—Yes. I think it showed that the conclusions which we had reached earlier on for the forward estimate were very near the mark.

4678. So is it right to say that throughout 1952 there was a fairly steady decline in the number of early morning return fare journeys?—There was a contraction during 1952 in early morning journeys.

4679. Can it be attributed to any special period, or was there a marked decrease?—I think it is difficult to find a marked decrease, but there was a drop in the early summer when we felt the full effects of the recession in the textile and other industries outside London. I think that was the only time when we showed a marked change.



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4680. Does the level of 102m. for "Y" year reflect a further reduction over the rate of early morning return fares travelled towards the end of 1952?—No, I think it is just about the same, but I have not got by me any figure which proves that. But my recollection is that the "Y" year estimate is very much the experience towards the end of the year.

4681. It does not reveal any very substantial deterioration?—No, I think some slight deterioration, but not a substantial one.

4682. In general you said that the deterioration was due to uncertainties in industrial activity?—Yes. I wondered if you could be more precise as to the uncertainties of the industrial activities which, in your view, affected the amount of early morning return fare traffic.—I think it was directed generally towards early morning fares outside London, and we did find that the short-time working in the textile industry and also difficulties in the car industry had a very material effect on our passenger traffics in those areas.

4683. To what specific factor would you put the reduction in early morning return fares from something rather more than the rate of 106m. at the beginning of 1952

to something of the order of 102m. at the end of 1952? To what specific factors would you relate the reduction?—I do not think I can be more specific. During 1952, and as far as we could see into "Y" year, we felt we would be unwise to assume that we should get back to the same conditions as we experienced, say, when we were estimating for "X" year.

4684. Is that because employment is at a lower level, in your view, or because the margin for spending is less, or because people are taking alternative methods of travel?—It is very difficult to give weight to these factors, but I would say that probably the margin of spending came first. The level of employment, of course, has its effect on the early morning tickets. On the competitive aspect, I do not think it has much effect on the early morning travel at the rates at which that travel is charged now.

4685. And any further reduction in what is called the "margin of spending" would be reflected in a lower number of passenger journeys in this item in "Y" year?—Yes, I should expect that to be shown in almost all categories of travelling not confined to this.

4686. It is, of course, a major factor?—It is a major factor.

Cross-examined by Mr. H. S. VIAN-SMITH.

4687. I believe that Mr. MacLaren has asked me to proceed. Mr. Roberts, I think you did tell us in your examination in chief that you dealt with the rates and charges of the Commission . . .—The Railway Executive.

4688. I presume that means what I think it means, that you deal with freight rates?—It so happens that I specialised on passenger charges for the last three years, because of the changes that have taken place.

4689. But the responsibility you have, in fact, is the responsibility for those freight rates and charges?—The freight rates aspect of it has, as far as I am concerned, been in abeyance for the last two years.

4690. But the responsibility is yours?—No, it has not been for the last two years.

4691. Referring to B.T.C., document 6, paragraph 2, Mr. Roberts, you told us, in your examination in chief, certain reasons why you would not want, for the moment anyway, to use whatever powers you might virtually have in the Scheme for increasing the charge from 1½d. per mile to 2d. per mile, and you set out on page 2 of B.T.C. 6 a number of reasons why you did not want to do that. We do not see anything in that document, in that paragraph, which tells us of any of the various other factors which may have caused you to make that decision. Are there any other factors?—No; we simply do not think it would be good business to use that power.

4692. Would it perhaps not be good business because the Executive discovered during the past year, or during the later part of it, that it is experiencing a level of competition which it had perhaps not envisaged?—No; I do not think that during the last year there was any substantial change in the competition which we were experiencing. The factors which we were experiencing last year, we were beginning to experience before.

4693. Then it is not your view that a high level of passenger traffic has travelled by transport facilities other than those operated by the Commission outside the London area?—I do not know.

4694. Then I presume that was a fact which you would not have taken into account?—There are no accurate and up-to-date figures to show what the carryings are by what I presume you mean to say the air and road services within this country.

4695. And I assume that it is in the absence of those accurate figures that you have been unable to take it into consideration?—We cannot make any accurate appraisal of it. We know sufficient of what is happening in the transport of the country to realise that there has been no abatement of the competition.

4696. But are you able to assess whether there has been an increase in competition?—No, that is just the point on which I cannot give you an accurate reply because the data is not available.

4697. In the whole of these very complicated and detailed figures you have made what are called "reasonable

assumptions", not accurate estimates. Were you not able to arrive at some reasonable assumptions on this point?—I think those reasonable assumptions were directed towards our own business and not towards the business of other people.

4698. In that case you say it is not important that the Commission could not have taken into account what its competitors are doing, when they drafted the Charges Scheme?—No. I say that there is no accurate information to show the precise carryings for our competitors in this country up to date.

4699. I would go as far as to say that perhaps one could not expect accurate and precise figures, but does it mean that you have not been able to make some reasonable assumption of what is taking place?—I do not think so; it is so scattered.

4700. In actual fact perhaps you might agree with me that the Commission would have been unable to include, or it would have been unwise to have included, in this paragraph a reference to the kind of competition or the level of competition which it experienced outside the London area?—I am sorry; I do not quite follow your question.

4701. I will put it to you in a different way. In paragraph 2 on page 2 of B.T.C. 6 you have only concentrated on the reasoning that a certain amount of trade recession has been responsible for the fall in your receipts. I am putting it to you: might it not have been a little clearer and might it not have given us the information we want if you had made it clear that the fall had been in the receipts of the Commission and not necessarily in the receipts on public travel generally?—My opinion is as I have said in B.T.C. 2. I think the trade uncertainty is the primary cause of such recession in our receipts as there has been.

4702. Was it the primary cause of the Executive's having to put on a special excursion service from London to Scotland, about which you have spoken earlier to-day?

(President): Was what the primary cause of their putting on that excursion?

4703. (Mr. Vian-Smith): The reasons put forward in Paragraph 2—the reasons for the falling off of traffic which the Commission experienced between London and Scotland. (To the Witness): Were they trying to overcome that by putting on this special facility?—I have seen no detailed figures of a fall in traffic between London and Scotland; but assuming there has been one—that is the first assumption that has to be made—I think there has probably been some falling off, but it is not very great. As I have explained, the introduction of these cheap fares can quite well be connected with the general conditions of the country. It is the fact that we are hoping—and whether we are right or wrong remains to be seen—that by quoting this very cheap fare we shall bring travel between London and Scotland within the price range of a lot of people who cannot afford it at the moment.

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4704. I am sorry to have to question you further on this point, but would it not be true to say in fact that your loadings on trains between London and Scotland had fallen considerably in the weeks and months prior to your allowing the special facilities?—No, not in those weeks and months. There has been a steady decline since the end of the War.

4705. Has it been a heavy decline?—Yes, there has been a substantial decline since the War. Conditions were different after the War.

4706. And has there been a substantial decline in the last two years?—I should have said on the whole that it was not so heavy—I am thinking now of main line traffic generally; it is difficult to isolate a particular route—in those two years as it was in 1946 to 1948.

4707. I think we can see that, but I also put it to you that this falling off, in so far as it existed on that particular route, was not in any way substantially due to a trade recession but it was due to the fact that people were using other forms of traffic other than the Commission's services?—No, not the main recession.

4708. I wonder if you could tell us in respect of the passenger receipts shown in B.T.C. 601 what approximate proportion of those receipts are derived by the Commission through dealing with travel agencies?—I am afraid I have not that figure.

4709. Would you be able to give some sort of fairly reasonable guess at it?—I can say straight away that the categories of fare in which the travel agency business never enters are those in lines 10, 11, 12, 14, and 15.

4710. I accept that; I think you will agree that it is largely in Item No. 1?—Yes; it is a proportion of the "Y" year figure of £54m.

4711. I wonder if you could tell us where you see in your accounts the amount of discount that you have to allow to the travel agency to sell those tickets for you?—To my knowledge we do not show it anywhere.

4712. Is it included in that very large item in your Accounts and Reports which are called "other working expenses" or "other traffic costs"?

(Mr. Harold Willis): This is really a financial matter; I only mention that if Mr. Vian-Smith wishes to pursue it in detail.

4713. (Mr. Vian-Smith): I am trying to establish in fact some idea of whether or not there is a substantial sum involved. (To the Witness): Can you help me on that?—I am afraid I do not know whether the commission to which you are referring is in fact included in respect of other traffic costs or whether its receipts, which we show as gross receipts, are in fact after the agent's commission has been allowed.

4714. But in actual fact the figures of estimated receipts which you show in B.T.C. 601 would not take account of any such discount; for example, when you say that you estimated "Y" year to get £54m. in ordinary fares including monthly returns, that sum is inclusive of any element of discount that you would have to give?—I am not certain as regards "Y" year. What I do know is that if it is excluded from "Y" year, it is also excluded from the 1952 figures. To that extent the comparison is a straight one on that point.

4715. If it would help you, in both of these columns you have made no allowance whatever for the discount which you would have to pay to a travel agency.—No; I do not know how the discount is handled in the Accounts.

4716. In that case I will not press this matter.

(Mr. Sewell): Quite a lot of the discounts come home again by another route, do they not? They come back to the Commission?—That is perfectly true, Sir—possibly the greater part of them.

4717. (Mr. Vian-Smith): By that I take it you mean where the agency concerned is indirectly controlled or owned by the Commission?—I confess ignorance of this. I have just been shown on page 80 of the 1951 Accounts, under the heading, as you rightly suggest, of "Other traffic costs" an item called "Passenger Ticket Agents' Commission for the year 1951, £764,215", and for the year 1950 it is £733,235.

4718. They are both substantial amounts?—Yes.

4719. And there is quite an increase, for example, in the year 1951 over 1950?—Yes.

4720. Are you anticipating that there might perhaps be an even larger increase when the Accounts for 1952 are completed?—I have not made any estimate on that at all.

4721. (Mr. Harold Willis): Are you objecting to the discount being paid, Mr. Vian-Smith?

(Mr. Vian-Smith): I am not at the moment objecting to anything. (To the Witness): Mr. Valentine and myself had an interesting talk on the question of season tickets yesterday afternoon; I think you will find it, if you look at the Proceedings for yesterday, on pages 260 and 261. You will find that Mr. Valentine was rather helpful to me—he rather put me on the right track. You will know from the previous questions I asked Mr. Valentine that I was under a wrong impression, and he was able to correct it by telling me that the object of the increased taper in the price of season tickets is due to the fact that where a season ticket is taken out in respect of a longer distance there is a tendency on the part of the passenger to use it less. Is that a statement with which you will agree?—Yes; I agree with that statement of Mr. Valentine.

4722. It is in fact part of the principle—I had a little trouble with Mr. Valentine over that word—as to what is to be the extent of the taper?—Yes; that is one of the factors. I quite agree with Mr. Valentine's answer there.

4723. In short, where you have a passenger who comes to you and says that he wishes to purchase a season ticket for say, a hundred miles, you are prepared to give him a more favourable rate because you know that he will not use it as much as a season ticket holder over a shorter distance?—Yes. My only hesitation is that the rate may not be so very much more favourable if you compare it with the very short distance season ticket which may be used very much more. The actual amount of money expressed in terms of the rate per mile of journey may be less over a hundred miles.

4724. Perhaps you will agree with me that the only thing that will help you to evaluate it is to evaluate it with the standard fare; that is the only way you can draw a comparison with what the passenger would otherwise have to pay—with what he would have to pay if he had not a season ticket?—Yes; but that is not necessarily evaluating it with the standard fare.

4725. It is evaluation with the standard fare if he uses it a certain number of times, on the basis of which you have worked out the table in B.T.C. 508?—Yes. You cannot compare that with the standard fare, the early morning fare or day return fare; it just depends on the particular circumstances.

4726. But I take it from an answer to a question which you gave a little earlier on that you really feel it is a very sound principle to charge a passenger a lesser rate or to allow him a larger taper in respect of the longer distance, because he would not use it so much?—Yes; that is the broad principle.

4727. You also heard that I was asking Mr. Valentine, while I was trying to get him to come part of the way with me, to agree that there was a certain commercial implication involved in the transaction of purchasing a season ticket?—Yes.

(President): At about this stage yesterday, Mr. Vian-Smith, I asked you to what particular passage in your Objection we were to look in order to be able to see what part of it you are now engaged in trying to support.

(Mr. Vian-Smith): If you please, Sir; I can answer that in more detail now than I could yesterday. It is in the part of our Objection which refers to the absence in this Scheme of arrangements for issue of traders' season tickets. That appears in the amended notice of our Objection.

(Mr. Harold Willis): It is in what is called an addendum to the notice of Objection.

4728. (Mr. Vian-Smith): Yes; it is the first point in the addendum to our notice of Objection. Perhaps I could come to that point now. (To the Witness): Having gone so far on the question of ordinary season tickets and having decided the principle on which to decide this taper, you will recall that up until the presentation of the last Charges Scheme there was in force a concession in industry and commerce known as the traders' season ticket?—Yes.

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4729. The effect of the last yield was that the continued use of that facility was left to the discretion of the Commission?—Yes.

4730. And in the event it was decided by the Commission to withdraw that facility?—I think they announced their intention—if the Tribunal will allow that expression—of doing so; they announced their intention of withdrawing the facility, and that is what they did.

4731. Can you tell us whether or not the Executive or the Commission had been approached in this matter since the issue of the traders' ticket was discontinued—whether they have been approached by the large national organisations and so forth?—They have been approached by a great number of traders for whom the arrangement was withdrawn; they have been approached by national organisations, and the matter has been discussed at the Central Transport Users' Consultative Committee.

4732. Would you be at liberty to tell us what recommendation the Central Transport Users' Consultative Committee made to the Commission?—I am speaking from memory, but the Central Transport Users' Consultative Committee suggested that traders' seasons might be reinstated, I think I am right in saying, at 25 per cent. or 20 per cent. lower than the ordinary public rates for tickets of 100 miles or over.

4733. I wonder if you could cast your mind back to the first Inquiry, and recall what were the principal objections stated as to the continued issue of the tickets? I think the most important one which was made by Sir Malcolm Trustram Eve on behalf of the Commission was that they were open to a certain amount of abuse?—I do not think that was the most important one.

4734. It was certainly a sufficiently important point to cause Sir Malcolm to cross-examine a witness upon it?—Most certainly. The real reason was that they were reducing passenger receipts in quite an unjustifiable way.

4735. It was said they were doing that because they were being used for purposes for which they were not intended, namely, for residential purposes?—That was only one of the ways in which they were bringing about the reduction in receipts.

4736. What were the others?—They brought about a reduction on season ticket travel of anything from 40 per cent. to 90 per cent., according to where the traders' season tickets were issued.

4737. In Table 313a at the last Inquiry you gave a certain figure, and that figure has been referred to once before today. I think that appeared on page 158 of the Proceedings last time. You told us in effect that item 5 on that table at that time was shown in column 2 of your receipts as £600,000?

4738. Pausing there, that was not a substantial amount expressed as a proportion of your total season ticket receipts as a whole, was it?—£600,000 is a very important section of receipts, I should have thought, by any standards.

4739. But expressed as a proportion of the total season ticket receipts it was not a high proportion?—I should say it was; it was about one-eighth.

4740. And you say that as a result of your contention, if the Tribunal allowed you at that time to exercise your own discretion in the matter, you would withdraw them, and the result would be, allowing for a discounted yield, that you would get a total revenue of £1,071,000 shown in your Column 7—an increase of £471,000?—Yes.

4741. I think you also had to answer questions from learned Counsel this morning on this. Could you tell us if there is any way in which you are able to assess whether or not your expectations in that regard did in fact materialise?—No. First of all the Traders' season tickets were not withdrawn until the 1st September, 1952. Then, when a far-reaching change of this character is made, it takes time for the new arrangements to settle down and for people to decide how they are going to travel, and it is far too soon yet to say to what extent that yield has been achieved. It may begin to become apparent when a full year's season ticket receipts are available, and then allowance will have to be made for the fact that we know a lot of people use ordinary tickets instead of traders' season tickets.

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4742. For the purpose of the next question, it is perhaps rather unfortunate that you have not, over the past two years, been engaged on freight work. Perhaps your position in the matter would have been a little different, but surely you would agree if I were to suggest it to you, that the idea of the issue of traders' season tickets did not only result in revenue so far as that ticket was concerned; it was not only a passenger revenue to the Commission was it?—I am advised that the amount of freight traffic which was directly attributable to the fact that the traders' season tickets were in existence, was negligible.

4743. I wonder if you could tell us on what sort of basis you were given that advice?

(President): Would you tell me this, Mr. Vian-Smith—are you by your addendum asking for a mandatory provision to be inserted in the Scheme compelling the Commission to issue traders' season tickets?

(Mr. Vian-Smith): That is in fact, Sir, what we intended to ask for.

(President): Did I understand you to say that before the last Scheme was brought into existence, there was an obligation on the Commission to issue traders' season tickets?

(Mr. Vian-Smith): I believe, Sir, if I am right, it was indeed an obligation extending from the 1921 Act, and although the obligation did not exist to the extent of the level of fares which the Commission were charging at that time, some of which were, I think, as high as 90 per cent. of the standard rates, but there was, as a result of the Scheme which emerged from the 1921 Act—

(Mr. Harold Willis): You will recall there was a standard scale, if we chose to give the facility.

(President): That was my impression—we have not the standard charges here.

(Mr. Harold Willis): And, of course, very varying scales were in fact granted for the facility by the different companies.

(President): However, you are now asking, whatever may have been the position in the past, that there should be a mandatory provision inserted in the Scheme compelling the Commission to give traders' season tickets?

4744. (Mr. Vian-Smith): That is in fact what we shall ask for. (To the Witness): I wonder if I may now go back to the point we were dealing with? You were telling us that you were advised that the amount of the extent of the freight revenue which you derived from traders' season tickets was of no account—in fact, it was negligible?—Yes.

4745. I wonder if you could tell us on what sort of basis—especially a fairly precise basis—that advice was given to you?—I cannot, at this point in time, but I have subsequently been told also that on the withdrawal of the facility, no substantial loss of freight traffic could be attributed to it.

4746. This may be rather a different question I am going to ask you now, but is it beyond your knowledge that any efficient Goods Managers throughout the system of the Executive have said that the withdrawal of the traders' season tickets was one of the most serious blows to the goodwill of the railway that has been experienced for a very long time?—No, that is not within my knowledge. I can well understand that a District Goods Manager, who has to deal with traders in his district, will naturally not like to have to explain the withdrawal of that particular facility, which has been in operation for a good many years, but I have no knowledge of anything beyond that very natural dislike.

4747. Staying on that point of "natural dislike", it is not inconceivable, I assume, that that natural dislike of the Goods Manager may exist because he is close to the spot and knows that any really effectual loss of traffic he has is really a result of that. He is more in a position to judge, perhaps, than someone not so close?—Yes, but I think it is singular that we have not been able to identify any loss of freight traffic as a result of this. I think my previous answer is as near the actual facts of the case as it is possible to get.

4748. Is the reason, perhaps, that you are not identifying that loss in the same way as you cannot identify, for example, whether or not you will have received the added

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revenue from the loss of traders' season tickets in other forms?—No, I do not think so, because I do not think it is going to happen.

4749. Turning for a moment to a slightly different point, I think you will perhaps agree with me that at the time you were framing your 1952 Scheme—bearing in mind that it takes a long time to get together—certain factors, or certain marked probabilities, which did not exist then exist now. Do you agree that in so far as the future of the Commission is concerned—Are you referring to the Transport Bill?

4750. I was referring to a number of probabilities and possibilities one of which may be the effects of any changes of that kind.

(Mr. Harold Willis): You must be more precise, Mr. Vian-Smith.

4751. (Mr. Vian-Smith): I am sorry. (To the Witness): At the time you framed your 1952 Scheme, the probabilities of your having to face a high level of competition in the carriage of freight were not so great as they are at this time?—I do not pretend to be an expert on freight, but from all that I hear, the competition of the "C" licence holder has been about as acute as anything could be.

4752. There are also various other probabilities whereby you may, in the future, be exposed to more competition from various sources other than the "C" licence holders for freight?—I suppose you are referring to the changes that may be brought about by the Transport Bill?

4753. There is a possibility there?—Yes, there is a possibility.

4754. In terms of the future—and we are, after all, in the Scheme trying to get to the future fortunes of the Commission—there is a possibility, if you did something in this Scheme or if you omitted to do something in this Scheme, it might seriously handicap the future prospects of the Commission?

(Mr. Harold Willis): Fail to do what in this Scheme?

(Mr. Vian-Smith): If it transpired that you had omitted something important from this Scheme, which may be of importance, such as the concession of the traders' season ticket, you might well find that the results of that are a little more serious than at the time you first omitted it.

(Mr. Harold Willis): The omission of a provision in the Scheme would not preclude the Commission, if they were minded to do so, from introducing the facility, if they thought it would produce satisfactory results.

4755. (Mr. Vian-Smith): I am extremely obliged to you, because that anticipates the very next point I was coming to, which is this: (To the Witness): Could you tell us—we have already agreed that there were these very important representations made by Statutory bodies—what response they received from the Commission?—The Commission are always ready to listen to representations from responsible quarters, and I know that they have been most impressed by the views which were advanced by the Central Transport Users' Consultative Committee—in fact they are still considering them. It may be that something will come out of it as a result of these representations, but if anything does come, it will obviously have to be on a thoroughly sound commercial basis, and I am quite certain that it will not be the traders' season ticket as we have known it in the past.

4756. Having said that, perhaps you would tell me: Have the Commission not in fact replied to the representations which were made by the Central Transport Users' Consultative Committee?—The representations are still under consideration.

4757. And the Commission has not replied to those representations?—They have given one reply, and they have received further representations.

(President): I think we have heard enough about the Central Consultative Committee, Mr. Vian-Smith.

4758. (Mr. Vian-Smith): If you please, Sir. There is just one final topic I would like to discuss with you, Mr. Roberts; it relates to Section 35 of the present Scheme, the one dealing with chargeable distance. We see from that section of the Scheme, which is virtually a reiteration of what appears in the existing Scheme, that it shall be the basis of the Commission's charges that the charges will be made solely on the basis of distance travelled. Do

you agree with that?—Are you referring to the sentence: "The distance by reference to which the fare chargeable for the journey is ascertained shall be the distance . . .?"

4759. Yes, in fact the effect of the Scheme was that where previously, prior to the existing Scheme, there had been a number of fares in existence that were not strictly in accordance with a mileage charge, they would in future be so charged?—Yes, generally speaking, but there are a great many fares on alternative routes, as we explained at the last Inquiry, where we do give the lower charge for the complementary routes.

4760. Yes—that was said by counsel for the Commission, that you were going to be sensible about this. It appears on page 108.

(Mr. Harold Willis): I hope that was not the only thing said?

4761. (Mr. Vian-Smith): I think it was a fair summary of the way in which you would deal with it, and it is on that point that I would like to ask Mr. Roberts one or two questions. (To the Witness): I would suggest to you that the point, or that the main guiding principle which has made the Commission be sensible about the way it is to be applied, is that they have not applied it where they would be likely to encounter road competition from road passenger services?—I am sorry; I do not follow that at all.

4762. I will say that again: That the way in which the Commission have applied this principle of charging according to distance where there are alternative routes to places where they have not altered the charges to ensure that the distance actually travelled is paid for, are those areas where they do not encounter road competition?—I was thinking of the West Country as one example. No, the facts we took mainly into account in trying to decide this—and I must agree at once that there will always be room for argument on the marginal cases—is where you have a complementary train service on routes which have two alternatives.

4763. When you say "complementary train service", I wonder if you could just elaborate on that a little more?—The simplest example is from Paddington to Birmingham, and from Euston to Birmingham. That is a simple case where there is obviously reason for having the same fare between the two.

(Mr. Harold Willis): Which is specifically provided for in paragraph 34 of the Scheme.

4764. (Mr. Vian-Smith): I wonder if we could take an example of the way in which you have applied Section 35?—Most certainly, but as I say, I freely admit that with a most complicated question of this sort, there must be room for argument in the marginal cases.

4765. I wonder if you would mind my pointing to just one example—the charges made in respect of travel from London to Hull. I think you will agree with me that there are two main routes from London to Hull, one via Doncaster, and the other by what is known as the Ferry Route?—Yes, but that is not the main route—the only route which I recognise to Hull is the Doncaster one.

4766. It is the one which is used most frequently?—I should say that apart from any very exceptional cases, it is the only one which is used at all for through journeys from London to Hull.

(President): The Tribunal was constituted in the same way last time—we spent quite a time last year on this Hull journey; the facts are quite present to our minds and all the considerations there were are present in our minds.

4767. (Mr. Vian-Smith): I was not going to deal with the facts here, but the principles, which were not considered at that time. (To the Witness): The effect of applying this principle of charging to this particular route has been that the route via Doncaster, which I think you will agree is 19½ miles or something like that, is at a higher charge than the route via the Ferry?—Yes; it carries the express services, but I think there is a difference of about two hours in favour of the Doncaster route.

4768. In actual fact, although the mileage on the alternative route via the Ferry is a shorter one, the service of trains operated and the speed is faster than for the other?—There are no through trains on the Ferry route.

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4769. And in actual fact when you get there you find on arrival that it is all choked up and you are unable to travel?—Yes, when you get there. The trouble has always been the silting of the harbour.

4770. And as a result of that, if a passenger wants to get a service which is worth while in terms of speed and ease of travel, he has to pay the larger sum?—Yes.

4771. That is quite divorced from any question of his going from A to B?—If he wants to get the advantage of speed, he wants to go by the main line.

4772. In other words would you agree that the charge on the lesser mileage is in no way limited to the adequacy of the service which the Commission give—over the Ferry route, for example?—No; in fact the passenger does get a very much better service by the longer route in that case; it is one of the few exceptions.

4773. There is just one other example of this. In the case of people wishing to travel North as far as the town of Coventry, I think you will agree with me there are two routes, one via Nuneaton and one via Rugby?—Yes.

4774. And whilst the route via Nuneaton is the shorter route and the cheaper route, the route via Rugby, which is longer in terms of mileage, is the only one which has a service which is worth talking about?—Frankly, I do not know the details of that.

4775. I wonder if you would accept it from me that that is so—you can check it later—I am told that there is a good service on both routes, but I do not know what that means in terms of speed or trains. If you would like me to check it I will, but frankly I do not know the details.

4776. If you will accept it from me for the purpose of this argument that there is in fact a very much inferior service from Coventry via Nuneaton than from Rugby, and because of that the average passenger is apt to travel via Rugby, although the mileage is greater, here is another example where there is a difference of mileage which does not really reflect the service the Commission runs?—I am sorry, but each of these cases has been examined in great detail where there is any doubt about it at all. However, I do not know the details of this one. If you like, I will look them up and find out what the train services are and what the precise charge is.

4777. So you do not consider that the overall application of these principles is working in all cases, and there is still room for a certain amount of change?—Yes. I think we made that perfectly clear on the last occasion that in applying this we were going to look at each case and see where it was reasonable to introduce these alternative arrangements. I may have misheard you—did you say Coventry or Manchester?

4778. I said Coventry—North from Coventry.—Yes. I will certainly look the details up.

4779. There is just one final topic before I sit down. We know that one of the other facilities which the Commission withdrew as a result of the last Scheme was the facility of the discount on bulk travel?—Yes.

4780. You did not think that had any economic justification.—That is so.

4781. We have seen from the examination of some figures earlier on this afternoon that at least the best part of £1m.—certainly over three-quarters of a million pounds of the Commission's revenue comes from traffic booked by travel agencies.—I think it was £735,000.

4782. (Mr. Vian-Smith): I take it that there is no economic objection, anyway, to allowing them to sell tickets for you in bulk with a discount for doing so?—If you are making a comparison between a discount of this sort and the figure which we pay the booking agents, I think the two cases are entirely different. Ticket agents do an enormous amount on our behalf in the saving of booking staff and all that kind of thing.

4783. But you still think it is right?—That is one of the considerations.

4784. But there is one thing they do not do for you; they do not pay in advance for the travel they are going to sell for you?—I am not quite certain what the arrangements for security are, but I do not think they do.

4785. I think we can say they do not.—I do not know whether they make a deposit or not; I do not think they do.

4786. But from your B.T.C. 601, in the note at the bottom, the figure you had to transfer on account of having ceased the bulk travel arrangement was one of £4m.?—Yes.

4787. That is a fair estimate. What that amounts to really is the estimate of your receipts on account of bulk travel in "X" year?—We have no reason to believe that that has not in fact been realised.

4788. That was quite a substantial sum of money on its own; hence I think you will agree with me that it is true to say that the greater part of that £4m. in that year would have been paid to the Commission in advance of the travel being undertaken?—Yes, it was a complicated transaction. The money would have been paid in advance, but there would always have been outstanding accounts from travel actually taken and not paid for at the time of booking.

4789. In actual fact, when you have done that balance it is still a substantial sum of money in advance?—The Commission had a certain amount in hand.

(President): Are you asking that a mandatory application for bulk travel facilities should be allowed?

(Mr. Vian-Smith): In our objection we are asking the Tribunal to insert a reasonable condition on that account that the Commission should—there is a Scheme which is still operated although the discount has been withdrawn; there is a Scheme rather similar to that being operated by the Commission.

(President): But that was not my question. As you asking that there shall be in the Scheme—if we confirm any Scheme—something which makes it obligatory on the Commission to continue bulk travel facilities of some sort?

4790. (Mr. Vian-Smith): Not quite, Sir. What we shall ask is that you will make it obligatory in the Scheme that where such bulk travel schemes or warrant travel schemes are operated they shall allow a reasonable discount in respect of them. (To the Witness): In actual fact then, you did derive a certain amount of added revenue as a result of this payment in advance?—Yes, but I think it must have been a very small amount indeed.

4791. A round sum of something approaching £4m.—it could not have been too small a sum, could it?—As I have explained, the deposit was not a clear advantage to us.

4792. Did it have any advantage to you in terms of good will?—Obviously any concession to anybody has some advantage in terms of good will.

4793. But you did not feel that the good will was sufficiently important at that time to justify your continuing the facility?—Good will is always extremely important to us, but we cannot afford to buy good will at a figure which I think we estimated at about half a million pounds a year.

4794. Is it not a fact that since the existing Scheme has been in operation, the Commission has continued to operate what it now calls a Warrant Travel Scheme in respect of which payment is asked for in advance with no discount?—Payment which is asked for in advance is on a different basis from the bulk travel. I think it is a good deal less.

4795. It still does involve a certain amount of payment in advance?—Yes; it still does involve a certain amount of payment in advance.

4796. But there is no form of discount?—No.

4797. I put to you that you also had a number of very strong representations on that account from trade and industry?—As with all the facilities which have been withdrawn from time to time, we have had a good many representations on this account.

4798. I wonder if you would be so good as to tell us, as you did in the case of season tickets, whether you were particularly impressed by the representations you had on this account?—In this particular case I do not think we were particularly impressed.

4799. You did not think them worth pursuing?—I would not say that. Of course, we examined them and of course we considered them, but we were satisfied that the Warrant arrangement met a very real need in trade and industry and that the new arrangements were settling down very well.

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4800. You do not feel that many of these things to which I have referred—the withdrawal of traders' seasons, discount, etc.—has in any way injured the Commission in its goodwill with industry and commerce to the extent that it may in future affect the Commission's own revenue? —No, I do not really think it has injured relations to the extent of having any material effect on traffic although, as I have explained, we are always ready to consider, and always are considering, these things.

(Mr. Vian-Smith): Thank you, Mr. Roberts; I think that is all I have to ask you.

(President): How long are you going to be, Mr. MacLaren?

(Mr. MacLaren): I should think about three-quarters of an hour, Sir.

(President): Then perhaps you would like to leave us at once, Mr. Lawrence?

(Mr. Geoffrey Lawrence): If you please, Sir; I do not want to be the cause of any inconvenience to the Tribunal whatsoever.

(President): I have never heard Counsel say that he is going to be three-quarters of an hour and be less than

that—it is usually rather more. I think we shall not be taking you today; that means that we shall take you on Tuesday.

(Mr. Geoffrey Lawrence): I am very much obliged, Sir. While we are on this, do I take it that you will in fact, as at present advised, be sitting the whole of Tuesday?

(President): I do not know what the latest information is as to what the Law Courts are going to do; I do not know whether there has been any announcement. If the ordinary Courts are not sitting, we shall not sit; if they are sitting, we shall sit. It is very difficult to say anything more definite than that at the moment.

(Mr. Geoffrey Lawrence): If you please, Sir—then may I take it that you will be following whatever the High Court does?

(President): Yes. If it does not sit in the morning we shall not sit in the morning. It is just possible that the High Court will not sit in the morning and will sit in the afternoon; if that is so we shall do likewise. I have made inquiries, but I have not been able to get anything more precise than that.

(Mr. Geoffrey Lawrence): If you please, Sir; I am very much obliged.

#### Cross-examined by Mr. MACLAREN.

4801. I want, if I may, just to ask you about the cheap facilities that are available outside London. First of all, there is a number of kinds of cheap facilities, as I understand it; you have a period excursion, I think, and weekend tickets.—There are no weekend tickets; the only period excursions we have are those experimental ones to which I referred this morning.

4802. That is, I take it, to Glasgow and Edinburgh?—Yes.

4803. You have day return excursions?—Yes.

4804. You have half-day excursions?—Yes.

4805. And you have evening excursions?—Yes.

4806. Are those excursions, or the greater part of them, the excursion tickets on the ordinary services?—Yes, almost all of them.

4807. They are normally limited to named trains?—They are normally limited either to identified trains or to hours of the day.

4808. And with regard to these three types of excursion tickets—it is difficult to know how to put it to you, but can you give me an idea of how extensive they are in their operation? For example, are they available from all the major towns in the country?—I think the fairest picture is the picture which I gave on the last occasion, on which I think I said that these experimental day fares were in operation in about 130 of the larger towns in the country. That figure may be very slightly exceeded now, but not substantially in numbers. You can take it as being between something like 130 to 150 of the principal towns in the country.

4809. So that we may bring these excursion rates up to date, what is the rate at which the charge is made for the full day excursion?—I know that the rate per mile normally works out at 1.31d.

4810. Does the rate per mile vary with the distance on these excursions, or not?—On some it does, and on some it does not—there is no set rule on day excursions. With the 1.31d. level, normally it does not.

4811. (President): There is normally no taper?—On the full day excursion no, Sir.

4812. (Mr. MacLaren): On the half-day excursion what is the range of fare?—I think it is rather difficult to separate the range of half-day and evening excursions. The range there is roughly 0.7d. to, I think, about 1d. a mile at the top; and then, of course, I should perhaps, when speaking of cheap day excursions, and when speaking of the rate of 1.31d., have mentioned the experimental day excursions. I do not know whether you were coming to that or whether you included them in the cheap days?

4813. As I understood it last time, you divided these cheap-day facilities, as it were, into two groups—day excursions and half-day excursions—available between named destinations and usually limited to certain trains?—Yes, that is quite right.

4814. Apart from that you had in the urban areas a cheap-day return available by any train on any day and a cheap-day which is normally limited to after 9.30?—Yes. In that case the evening and the half-day rate would be nearer 3d. a mile upwards.

4815. In picking these day, half-day, and evening excursions, you have no doubt picked the most popular points; as I understand it you have not given the excursion facility all the way down?—No; it has been selective.

4816. And quite a number of them run into London?—Some do—quite a lot do, that is true—that is, of course, from outside the area.

4817. Yes. May I turn now to the cheap-day facilities; I would like you to deal with them, if you will, in two parts. I would like you to deal with the ordinary cheap-day return which, as I understand it, is generally available to about 30 miles round the urban centres on any day by any train?—Yes, but even with those there are some limitations. There are some cases where there are limitations on the day return fare. There is no absolute rule in these things at all.

4818. I appreciate that they vary widely.—But generally they are by any train on any day.

4819. That is the rule; it is nearer being a rule in this case than not?—Yes.

4820. What would you say is the range of the rate per mile for those tickets? That fare is from centre to centre.—The cheap day return fare is substantially 1.31d. per mile.

4821. Yes; that is the one I am talking about. Now we come to the cheap fares that I understood to be called last time experimental cheap fares. I believe on your time table they have a variety of names?—Yes.

4822. But they are the same class of facility, whatever they may be called for advertising purposes?—Yes; they only vary in their designation by seasons for advertising purposes.

4823. Although sometimes I believe they are simply called "special cheap-day tickets"?—That may well be, yes.

4824. What is the range of rate on those tickets?—It is about 0.7d. to just over 1d. a mile, very rarely falling below 0.8d. or 0.9d. There are exceptional cases where you get the odd very low rate, but generally speaking they do not drop much below 0.8d. or 0.9d. per mile.

4825. (Mr. Poole): These are half-day and evening excursions?—No, Sir; these are what we call "experimental".

4826. (Mr. MacLaren): That is where they vary from place to place in the period of their availability.—They vary from place to place and from route to route and in their level too. The particular level of the fare is peculiar to the locality.



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4827. To get a general picture first, if I may, would it be right to say that they are generally available after 9.30 during the week and on Sundays?—Yes.

4828. So that the general picture you get is that in the three major return facilities in the urban areas you begin with the early morning fare up to about 8 o'clock?—Yes.

4829. And then the ordinary cheap-day return, which is available all the time?—Yes.

4830. And at about 9.30 the experimental cheap-day comes into operation?—Yes, that is a fair picture for a large part of the country.

4831. There are some parts of the country where the experimental cheap-day is available on any day by any train; I think Nottingham is an example of that?—Yes; that happens to be a trial—an experiment within an experiment, if you like.

4832. That is what I was going to ask you: Are you doing it elsewhere? I do not want a list of places.—Yes.

4833. It was in fact introduced, I see, in Nottingham on the 1st March?—I think it was introduced before that; I thought it was 1st December.

4834. Yes, that is so; I beg your pardon.—Yes; I think the date coincided with the advertisement.

4835. In fixing the level of this experimental cheap-day ticket in any urban centre and along any of the routes from that centre, how are you guided?—By a great number of considerations. First of all we have to think of what traffic we are likely to get and relate that to the traffic we are carrying at the moment. We have to try as best we can—and it is always rather a rule-of-thumb calculation—to see whether it looks as though there is a *prima facie* case for making the introduction of a cheap fare. There must be a substantial or fairly substantial traffic potential before we think of these things. Secondly, all sorts of practical considerations have to be taken into account—what is the train service, what is the frequency, the position of the stations in relation to the communities they serve, and the strength of the attractions at the other end.

4836. Has it been your practice everywhere to issue, along with the experimental cheap-day ticket, the full cheap-day, the first class equivalent?—No, we do it for regular day and for day excursions. I am told that we do it on experimentals, so we do it on all of them.

4837. And is the rate broadly 50 per cent. on?—Yes.

4838. I do not suppose you have had sufficient time of the running of your facility in Nottingham, and the other places where you have applied the principle of any train any day, really to judge what is happening?—No; it is much too soon really. One makes rough checks of these things, but any conclusions that we reach within three months, particularly three winter months, tend to be misleading.

4839. Yes, I appreciate that. Perhaps I had better not pursue that further except just to ask you this one point, and if you cannot tell me, no doubt you will say so at once. Both at Nottingham (Midland) and at Nottingham (Victoria), as I understand it, you have a third and first class fare to Leicester by any train on any day?—Yes.

4840. That is at a cheap fare of 0.64d. per mile. If I remember rightly, I think that was the calculation of it. (President): Did that get printed anywhere, Mr. MacLaren?

(Mr. MacLaren): I beg your pardon, Sir; that is on page 186 of Day Ten.

(The Witness): Yes, that is quite right. There is a slight difference between Bradshaw and the chargeable mileage here; needless to say, it is to the advantage of the passenger. It is 0.77d. instead of 0.64d.

4841. (Mr. MacLaren): Those points of Nottingham and Leicester have considerable affinity; there is heavy traffic between those points, is there not?—Not particularly between those two localities.

4842. I do not know how far you know about the road services between those points; they are not the Commission's services, are they?—I am sorry; I am not quite certain which are the road services,

4843. I know there is Barton's Transport and I believe—,—I believe they are both Commission-owned undertakings.

4844. I will not press the matter further; it is too early for you to see what the result of that has been?—It is. As I say, we have made checks of these experiments from time to time and one has tentative results; but I think it would only confuse the issues if those tentative results were given now.

4845. Broadly speaking, these experimental cheap-days are not a new or extended experiment; I think they have been in operation since April, 1949. Is that right?—Yes, that is about the date when they first came into operation.

4846. You were good enough on the last occasion to give us some figures which you may be able to bring up to date; I find them in B.T.C. Statement 2, Paragraph 16, sub-paragraph (4) on page 37 of the last printed bundle. The fourth sub-paragraph of paragraph 16 is dealing with these experimental cheap-day tickets, is it not?—Yes.

4847. The figures which I have extracted from that are those between April, 1949, and April, 1950, when your receipts from this source were £2m. giving you additional revenue of £½m., and in 1950 and 1951 they were £2½m., and you estimated that your additional revenue had slightly fallen. You put a figure on it which I make £307,000, which is the previous figure to the £23,000?—That is for the experimental cheap-day fare for the period to April, 1950, and then to April, 1951.

4848. Have you further information about that, bringing it up nearer to date?—I think I can fairly readily obtain a figure for the experimental day fares for a period of twelve months, but I am afraid that I do not seem to have it in my file with me at the moment.

4849. I should be very grateful if I could have that figure in due course.—I will see what we can find in that way.

4850. If you please. Broadly, are you satisfied that over these years since April, 1949, these cheap urban facilities have proved a commercial success?—I think they have been a reasonably good business success, but under provincial conditions.

4851. Would you help me a little more about that?—I think when you consider the factors which we take into account in fixing these fares, they are all factors which are peculiar to the Provinces.

4852. The factors you gave me such as the train service?—The comparatively infrequent train service, the distance of the station from the community which it serves, and the focus of the attraction, though perhaps that is not a provincial consideration.

4853. These are matters which tend to render your service less welcome to the public, are they not, the factors you have mentioned such as the infrequent service and the distance from the station?—They are difficulties which we have to get over in trying to attract people to use our services, yes.

4854. As I think everyone in transport agrees, the actual service itself is a very important factor in attracting traffic?—I agree.

4855. Against those adverse factors, you have managed to stop the decline of traffic round the urban areas, have you not?—Yes. I think it is true to say that the phrase "stop the decline" is right.

4856. If I may say so, it is a matter on which the Railway Executive is to be congratulated. The decline was very steep when we were enquiring into it last, was it not?—No, I think we had already taken steps in regard to this.

4857. You were beginning to arrest it, I think, and that was about all, was it not?—No, I should have said that by 1951 we had arrested it.

4858. While I am still on this question of the price of these various facilities outside London, I should like now to turn to an associated matter and that is the sub-standard element in season tickets and workmen's fares outside London. First of all, so that I may understand a little about what is involved here, could you tell me in your estimation what volume of your season ticket travel now, in 1952 for example, is in and out of London?—As near

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as we can estimate it, about 75 per cent. of the total Railway Executive season ticket travel is either within the London area or feeds into London, but you will realise that there is, or there may be, a fairly large margin of error in that.

4859. It just gives us the shape, and no more?—I think I explained the basis on which we made the test last time.

4860. You are giving the same percentage now?—The same percentage, yes.

4861. (President): 75 per cent. of what?—75 per cent. of the total Railway Executive season ticket receipts, of the £13m. shown in B.T.C. 601 and 510.

4862. 75 per cent. is from journeys beginning in or ending in London?—That tries to take account of the journeys which cross the boundary.

4863. (Mr. Harold Willis): Not B.T.C. 601, I think, because that excludes London Lines. The 75 per cent. is a percentage of the total including London Lines.—Yes, that is quite right.

4864. So we shall not find the £13m. you refer to in B.T.C. 601?—I am sorry; I must have dropped my voice.—B.T.C. 601 and Mr. Valentine's Exhibit, which is, I think, B.T.C. 510.

4865. Added together?—Yes.

4866. (Mr. MacLaren): Since the present Scheme has been in operation, the early morning facility has been available on a much wider range than before, has it not?—Yes, it has been available up to 60 miles.

4867. We heard a little earlier today that it has been available for Brighton?—Yes.

(Mr. Harold Willis): It will not be used in future!

(Mr. Glover): I am not agreeing to that.

4868. (Mr. MacLaren): Can you form any estimate at all of how much of the early morning traffic is in and out of London?—No. It is very difficult; I do not think I have ever made an estimate of that.

4869. I will not press it now.—If it is of any help to you, I should expect it to be very much less than the proportion of season ticket travel.

4870. You cannot form any broad idea?—No, I cannot express it in terms of a percentage.

4871. If you please. Outside London, can you give me an impression of the sub-standard element in the season ticket charges. On the last occasion I believe we were told that they were as much as 40 per cent. below standard.—On the last occasion I think we said that 61 per cent. of the season ticket receipts in fact came from sub-standard charges.

4872. Yes. Would that still be true?—No, the figure I would expect to be higher at the moment, because as a result of the Government intervention we only increased sub-standard season ticket rates, as I think you know, by the amount which the standard rate of the same denomination took, and that maintained the whole of those sub-standard rates. In the process of the revision also a certain number of new sub-standard rates of very small amounts were created.

4873. That is as to the percentage of the receipts which are obtained from sub-standard season tickets. The other part of my question was the degree to which they were sub-standard outside London?—I think on the last occasion the figure we gave was 17 per cent., speaking from memory. In B.T.C. 303, column 6, the percentage by which aggregate receipts fell below standard was shown as 17 per cent. for season tickets.

4874. Yes. I do not think I need trouble you about it further. May I now go forward from this point to ask you if you have given consideration to the effect on your season ticket travel of the experimental cheap day ticket?—Most certainly. That was taken into account when we introduced the experimental cheap day ticket.

4875. The experiment in the experimental, if I may put it in that way, has produced a rate which, up to 20 miles for a day return ticket is cheaper than the season, assuming only a return journey a day, is it not, unless my mileages are wrong?—Yes, it does in certain cases, I know. That is not uncommon.

4876. I thought so. That is a perfectly fair answer.—And, as I say, it is taken into account when we weigh the balance.

4877. Yes, certainly. In assessing the charge for your season ticket round those urban areas where these cheap fares are readily available, is it your intention to maintain a parity between your season ticket and the cheap fare? Will you issue a cheap season?—No.

4878. You will not?—No.

4879. This much will be certain, will it not, that if the season ticket rate for those urban areas is higher than the travel which may be had on the day return tickets, the only people who will buy a season are those who travel more than twice in the day?—Yes. There are quite a lot of them in the Provinces.

4880. For the short distance there would be?—Yes.

4881. So far as the body of the travellers are concerned, beyond those short distances there would be no point in their buying a season even at its present rate?—No. It is the sum in simple arithmetic which passengers, if I may say so, have had to do for themselves for a considerable time.

4882. And they are remarkably quick at it, I think?—Remarkably quick, yes.

4883. I think I may just take that one step forward. So far as those areas are concerned, the present proposed increase in the season ticket rate is a dead letter, is it not?—That, of course, assumes that the experimental day fares are going to remain at their present levels, as to which I do not know necessarily that they are; not because of the proposed increases here, but because adjustments are always being made to them. In any case, the increases proposed here do not create a new situation; they only alter the degree of an existing one, and a very small alteration of degree.

4884. I appreciate that. The fact that they are going up does not affect the situation. The situation already exists. All I am putting to you is that for the urban travellers where these facilities are available, and so long as they remain available, the increase in the season ticket charge would be a matter of no more than academic importance?—In those cases where they are not using the season ticket; that, I think, follows.

4885. Outside London have you not a sub-standard element in workmen's tickets, too?—Yes, there is some sub-standard element.

4886. You gave it last time over the whole of your receipts as 4 per cent., I think?—Yes. That was the percentage by which the aggregate for workmen's tickets fell below the receipts they would have obtained at the standard. Fourteen per cent. of workmen's receipts came from sub-standard charges.

4887. It would be fair to say, would it not, that up to a distance in the neighbourhood, I think, of about 20 miles some of your experimental cheap day returns are in fact cheaper than the existing workmen's journeys?—It is very rare at the moment. The general line has been never to introduce an experimental rate below the level of the early morning fare.

4888. In fact, up to about 20 miles would it be correct to say—it may be that we have dropped accidentally across the exceptions—that the experimental rate has, in the shorter mileage, been made approximate to the early morning rate?—Not of set design.

4889. I appreciate that nothing has been set; I am not suggesting it has, but it has been that kind of rate that you have in fact operated. Would that be right?—In a number of cases, yes, they would be very close to each other.

4890. One last matter on this general question of the rates available round the urban areas. It would be fair to say, would it not, that you have applied the experimental rate of services which do not have the disadvantages which you have mentioned, for example infrequent services and badly sited stations?—I should have thought, to take the Nottingham case as an illustration, that had

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many of the disadvantages which I have mentioned: Nottingham to Worksop, twelve trains a day, and one station on the Midland route in each of the places Kirby-in-Ashfield, Mansfield and so on. My own view is that it is just in those circumstances that we are finding these very difficulties.

4891. I will agree with you that in that particular case that is so. I think you would concede that from Nottingham to Leicester there is a quite frequent service, I believe, with fast trains with restaurant cars?—On some of them when the main line train is picked up. I think it is about 15 or 17 services, or something of that sort, between Nottingham and Leicester.

4892. By both routes?—No, not by both routes, by the Midland route.

4893. But there is also the Victoria route?—Yes, but even over that route it is a comparatively light service.

4894. However, I accept so far as Nottingham is concerned that your service is light, compared with London, but all I was suggesting was that it is not an inconvenient service from Nottingham to Leicester?—I would not say that the stations in Nottingham were ideally sited for the centre of the town; certainly it is not the case in Derby.

4895. No, I was talking about Nottingham and Leicester. However, I must not give evidence. May I now speak about the electric line at Manchester? That is a good service, is it not?—Which, the Altrincham line.

4896. The electric services from Manchester?—Where to?

4897. They are frequent, are they not?

(President): Where to?

4898. (Mr. MacLaren): I am trying to discover what the destination is. Altrincham, I am told.—Yes.

4899. That is a frequent service, is it not?—I think it is about a 20 minute headway, is it not, and rather more frequent in peak times?

4900. It builds up in the peaks?—Yes.

4901. And you offer these experimental cheap days on that service?—I can well imagine it—after 9.30, I am told.

4902. After 9.30 in Manchester?—Yes.

4903. I would like now, if I may, to ask you just a question or two about the effect of these experimental services on your revenue outside London. May I ask you to look at B.T.C. 312 and B.T.C. 601?

(President): Are the County Council going to ask for a mandatory provision in the Scheme to run experimental fares?

(Mr. MacLaren): No, not to run experimental fares.

(President): In London I am talking about now.

(Mr. MacLaren): The submission will be that in the off-peak period there should be a maximum fare which is less than the maximum fare of the peak period. That will be the submission.

(President): Fixed in the Scheme?

(Mr. MacLaren): Fixed in the Scheme, if you please.

(President): In other words, you do hope to convince us, and with your assistance we shall feel convinced we know better how to run London transport in that respect than the London Transport Executive?

(Mr. MacLaren): I shall do my best to persuade you.

(President): We shall be diligent pupils.

(Mr. MacLaren): I am grateful for the information, Sir.

(Mr. Poole): At what are we looking now?

(Mr. MacLaren): I am looking now at B.T.C. 312.

(Mr. Poole): 312a?

4904. (Mr. MacLaren): No, 312, the original one. It appears in the original bundle. (To the witness): I do not want to delay over this, because the Table speaks for itself. It shows in the ordinary and the monthly return categories—I am looking at journeys for the moment—the decline from the high level of 1948 right down to the last firm figure in the Table, the 1950 estimate. It is from there that I want to take it on another step, if I may. What I have done—I hope this is correct—is that I have added the ordinary full fares in line 1 to line 2A, the

monthly returns for 1950—1950 was the last firm figure we had, was it not, and 1951 was a forward estimate?—In 1951 there was not very much forward estimating, I think. It was very nearly correct.

(Mr. Harold Willis): 1951 was an estimate.

(The Witness): I am sorry; 1951 was an estimate, and you are quite right, Mr. MacLaren, 1950 was the nearest firm estimate that we had.

4905. (Mr. MacLaren): If you please. The sum of the two figures in column 6—that would be the appropriate column, would it not?—Yes.

4906. The sum of those two is 243m., is it not?

(President): The sum of which?

4907. (Mr. MacLaren): I am so sorry; I have added the wrong ones. Adding lines 1 and 2A, the sum is 115m. If I may look at "X" year, which was your estimate for that year, there is 21m., and 88m., and the sum of those two I make 110.5m.?—Yes.

4908. That is an estimate forward from 1950 to "X" year of a drop of about 5m., is it not?—Yes.

4909. May I ask you now to look at 1952 under the same categories, and subject, I think, to your footnote?—Yes.

4910. The ordinary including the monthly returns.

(President): We had better find the Table.

(Mr. MacLaren): I am sorry. It is Table 601, Sir, and it is the journeys, line 1, subject to the footnote. The footnote gives the figure for these journeys excluding the effect of bulk travel, and that figure is 105.7m.

(Mr. Harold Willis): 105.7m. miles?

4911. (Mr. MacLaren): Yes, 105.7m. miles.—No, journeys.

4912. Journeys, yes—105.7m. journeys. That in fact compared with your 1950 figure shows a drop of 10m., is that right?—Yes, compared with 1950 it is just short of 10m.

4913. It shows a much more substantial drop than you had foreseen in your estimate, taking 1952 as the nearest approximation to "X" year?—Yes, but as I explained this morning, 1952 was affected by extremely unfavourable trade conditions. I say "unfavourable trade conditions", but that is an exaggeration—by trade conditions which were not in our minds at the time when we made the "X" year estimate.

(Mr. MacLaren): I accept that.

4914. (Mr. Poole): It was not in your mind when you made your "X" year estimate that we should reduce the ordinary fare from 2.44d. to 1.75d., was it?—No, it was not.

4915. That affects this to a certain extent?—Yes, but as I have explained, the amount of additional traffic which we have got from that it is very difficult to quantify or to assess in any way at the moment.

4916. I know the effect Mr. MacLaren has taken into account is to push the monthly returns into the ordinaries, but there is also an unidentifiable amount presumably?—Yes, but when dealing with journeys, the effect of that I think is very small. It is certainly very small for the eight months of 1952 during which it had effect.

4917. (Mr. MacLaren): If you please. If I may just take you one step further forward, your estimate for "Y" year in journeys under this category, subject to the same note at the bottom, is 104m., is it not?—Yes.

4918. A decline of a further million journeys?—Yes.

4919. Bearing in mind those figures that we have just looked at, the decline of 10m. journeys from 1950 to 1952, may I ask you to look back over the Table from 1948 and see how the journeys have been falling. They are expressed very nearly in the percentages in 1950, where they are 62 per cent. and 67 per cent. of the 1948 figure. That tends to show, does it not, that the 1952 decline rather fits into the picture of what has been proceeding?—Yes, but I think there is a special reason, as I have said, for the 1952 decline, and I should perhaps have mentioned one other point: of course there has been some transfer from the ordinary, including the monthly return, to the cheap day category.



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4920. I fully appreciate that, and that would be so.—How much, of course, nobody can ever tell. You can only look at the total result.

4921. But in view of that general shape up to this point, you are satisfied with your "Y" year estimate of a drop of 1m. journeys?—Yes. I do not expect any further drop

than that, provided we do not have any more of this industrial short-time, or anything of that sort coming along, to the degree that we had last year.

(Mr. MacLaren): Perhaps that might be a convenient time to adjourn before I turn to the next figure.

(President): Yes.

(The Witness withdrew.)

(President): You will be continuing your cross-examination on Tuesday?

(Mr. MacLaren): Yes, if you please, Sir.

(President): I hope it is plain how uncertain it is whether we shall or shall not sit on Tuesday. I have not any further information, but we shall simply be dependent upon what the Courts do, and everyone must seek their information as best they may.

(The Hearing was provisionally adjourned until Tuesday morning next, March 31st at 10.30 o'clock.)